

ON THE FRONT LINES IN THE ACQUISITION
WORKFORCE'S BATTLE AGAINST TAXPAYER
WASTE

HEARING

BEFORE THE
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION
POLICY, INTERGOVERNMENTAL RELATIONS AND
PROCUREMENT REFORM

OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES

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ON THE FRONT LINES IN THE ACQUISITION WORKFORCE'S BATTLE AGAINST TAXPAYER WASTE

WEDNESDAY, NOVEMBER 16, 2011

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND PROCUREMENT
REFORM,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:30 p.m. in room 2247, Rayburn House Office Building, Hon. James Lankford (chairman of the committee) presiding.

Present: Representatives Lankford, Labrador, and Connolly.

Staff present: Richard A. Beutel, senior counsel; Molly Boyd, parliamentarian; Sharon Casey, senior assistant clerk; Mark D. Marin, director of oversight; Devon Hill, minority staff assistant; Rory Sheehan, minority new media press secretary; Cecelia Thomas, minority counsel.

Mr. LANKFORD. The Oversight and Government Reform Committee exists to secure two fundamental principles. First, Americans have the right to know the money Washington takes from them is well spent. And second, Americans deserve an efficient, effective government that works for them. Our duty in the Oversight and Government Committee is to protect these rights.

Our solemn responsibility is to hold Government accountable to taxpayers, because taxpayers have a right to know what they get from their government. We will work tirelessly and in partnership with citizen watchdogs to deliver the facts to the American people and secure genuine reform to the Federal bureaucracy. This is the mission of the Oversight and Government Reform Committee.

I will make a brief opening statement. In addition to the nature of the workload, let me back up, the people who plan and prepare and issue Government contracts play a vital role in protecting the interests of the American taxpayer. We are all familiar with stories about \$16 muffins and \$600 hammers being bought by the government. But these stories often turn out to be more complicated than the sound bite would suggest.

But they do reflect an underlying reality. The Government must have capable people overseeing these complex acquisitions in order to properly steward the taxpayers' money. It is essential to have skilled, capable people acquiring the goods and services necessary to run the government and to serve the American people. Our Fed-

eral Government is the single largest customer in the world. And its acquisition work force is grappling with a huge increase in volume. Between fiscal year 2000 and 2008, acquisition spending by the Federal Government expended by 163 percent, from \$205 billion to \$539 billion. Today, procurement spending is approaching \$700 billion.

In addition to the nature of what that workload has become increasingly complex. Government procurement increasingly reflects complex services rather than just simple goods. It is a lot harder to acquire a complex engineering and technical expertise than to buy office supplies. Services, not supplies, now account for 70 percent of the Federal Government's spending.

Many experts note the need for proper training of acquisition officers concerning the complex and frequently changing Federal contracting environment. While seismic shifts are occurring in the landscape of Federal acquisitions, the skills and tools of the Federal acquisitions work force has remained largely stagnant. This further places agency missions and taxpayer funds at risk. Improving the skills of the Federal acquisition work force is in the best interest of everyone involved: the Federal acquisition work force, the contractors, the government, and all taxpayers.

Two broad reforms are being required. First, how do we improve Government-wide leadership in the coordination and development of the Federal acquisition professionals? Defense Acquisition University and the Federal Acquisition Institute play central roles in the training and shaping of the acquisition work force. But why does the Government has so many training centers? Who is coordinating the curriculum between the civilian and military acquisition work force to allow for work force mobility and advancement? Should the Government break training centers into centers of excellence, each focusing upon a specific speciality, such as creating an i.d. cadre? I just want to ask the question and let's find out.

Second, beyond leadership and coordination, we must focus on the Government's use of tools and advanced capabilities to equip qualified acquisition work force professionals. Why isn't there a standardized contract writing tool across the whole Government? Why is the tracking and reporting data on the Federal procurement data base unreliable at times and sometime deficient?

We know there are several new initiatives underway to improve the acquisition work force. Some of these initiatives include such programs as mentoring and intern programs, the use of flexible hiring authority, increase college recruitment efforts and improvements within the acquisition work force career track. We are going to ask what else, and is it enough and how is it going.

I look forward to hearing more about these efforts today and working with the ranking member on the common ground that we do have on this very important issue. We spent a significant amount of time talking to people that have Government contracts and trying to chat on what are the solutions that they see, what are the things that they identify. And a lot of this conversation today will focus on the low-hanging fruit, what can we get accomplished, where should we be going, and how are we doing in the progress that we are making at this point.

So with that, in perfect timing, I would like to recognize the distinguished ranking member, Mr. Connolly, for his opening statement. You missed my fabulous opening statement, Mr. Connolly.
[The prepared statement of Hon. James Lankford follows:]

Opening statement

“On the Frontlines in the Acquisition Workforce's Battle Against Taxpayer Waste.”

November 16, 2010

The people that plan prepare and issue government contracts play a vital role in protecting the interests of the American taxpayer. We are all familiar with stories about \$16 dollar muffins and \$600 hammers being bought by the government. These stories often turn out to be more complicated than the sound bite would suggest- but they do reflect an underlying reality: The government must have capable people overseeing these complex acquisitions in order to properly steward the taxpayers' money.

Its essential to have skilled, capable people acquiring the goods and services necessary to run the government and to serve the American people. Our federal Government is the single largest customer in the world, and its acquisition workforce is grappling with a huge increase in volume- between fiscal year 2000 and 2008, acquisition spending by the federal government expanded by 163 percent, from \$205 billion to \$539 billion. Today, procurement spending is approaching \$700 billion dollars.

In addition, the nature of that workload has become increasingly complex. Government procurements increasingly reflect complex services rather than simple goods. It is a lot harder to acquire complex engineering and technical expertise than it is to buy office supplies. Services, not supplies, now account for 70 percent of federal government spending.

Many experts note the need for proper training of acquisition officers concerning the complex and frequently changing federal contracting environment. While seismic shifts were occurring in the landscape of federal acquisitions, however, the skills and tools of the federal acquisition workforce remained largely stagnant. This further places agency missions and taxpayer funds at risk.

Improving the skills of the federal acquisition workforce is in the best interests of everyone involved: the federal acquisition workforce, contractors, the Government and taxpayers.

Two broad reforms are required. First, we must improve government-wide leadership and coordination of the development of federal acquisition professionals. Defense Acquisition University and the Federal Acquisition

Institute play central roles in the training and shaping of the acquisition workforce. But why does the government have so many training centers? Who is coordinating the curriculum between the civilian and military acquisition workforce to allow for workforce mobility and advancement? Should the government break training centers into centers of excellence, each focusing upon a specific specialty, such as creating an IT cadre?

Second, beyond leadership and coordination, we must focus on the government's use of tools and advanced capabilities to equip qualified acquisition workforce professionals. Why isn't there a standardized contracts-writing tool across the government? Why is the tracking and reporting data on the Federal Procurement Data Base so unreliable and deficient?

We know that there are several new initiatives underway to improve the acquisition workforce. Some of these initiatives include such programs as mentoring and intern programs; the use of flexible hiring authority; increased college recruitment efforts; and improvements to the acquisition workforce career track. But we have to ask, are these enough?

I look forward to hearing more about these efforts today, and to working with the Ranking Member on the common ground we do have on this important issue.

Mr. CONNOLLY. I will get a tape.

Mr. LANKFORD. I am sure you will.

Mr. CONNOLLY. And tonight, when I get home.

Mr. LANKFORD. That would be a terrific date night.

Mr. CONNOLLY. I will watch it.

I do want to thank you, Mr. Chairman, for convening this hearing to review the Federal Acquisition Institute Improvement Act and other acquisition personnel issues. I appreciate your attention to the issue which is of critical importance to Federal employees, contractors and taxpayers.

As you know, Senator Collins and I introduced companion bills to strengthen the Federal Acquisition Institute, and that legislation has been included in the House National Defense Authorization Act. I appreciate the administration's support for our efforts and believe this bill will support Donna Jenkins' efforts to strengthen FAI. I look forward to discussing the bill with both panels of witnesses.

In addition to strengthening the FAI, it is appropriate that we would consider other acquisition work force policies that can improve Federal efficiency and the delivery of services. Chief among these are personnel policies with respect to recruitment, retention and compensation, which are all related, obviously. As the thoughtful staff memorandum for this hearing noted, the acquisition work force is experiencing a silver tsunami, in which 25 percent of employees could retire within the next several years. The shortage would only be exacerbated by mindless attempts to slash the Federal work force through attrition or layoffs.

Federal agencies need to be recruiting the next generation of acquisition staff right now, while training existing personnel to adapt to a changing procurement environment which is more focused on services and technology. In order to recruit new staff and retain existing staff, it is imperative that we maintain competitive compensation packages in the Federal work force. While Federal employees may never be paid as much as their private sector counterparts, and indeed, we recently had a study that shows we have actually had deterioration in that ratio, we cannot allow that gap to widen so much that we lose our best acquisition personnel to the private sector.

Fortunately, many individuals and agencies are leading the way to improve the acquisition work force. The administration's 25 point plan for IT reform, for example, calls for the creation of acquisition career paths focused on technology in which OMB and FAI are in fact collaborating.

DOD is hiring 10,000 new acquisition personnel over the next 4 years. Donna Jenkins has expanded the FAI staff from six to nine, a 50 percent increase, to meet the growing agency demands. But I hardly think that is adequate. And it is partnering with a diverse set of agencies to maximize the impact of a very small team of experts.

The Veterans Affairs Administration has opened an outstanding acquisition training academy in the national capital region. These are all laudable efforts, and I hope we will learn today how best we can support them, including but not limited to passing the Federal Acquisition Improvement Act.

In a recent hearing, we learned about one appalling consequence of a lack of contracting oversight, widespread human trafficking among overseas subcontractors. And again, I congratulate you, Mr. Chairman, for holding those delicate but very important hearings. We must maintain a focus on this issue, because whether it is human trafficking or the failure to hold down contract costs, our acquisition personnel are in the front lines on behalf of our constituents, the taxpayers.

Thank you again for holding this important hearing, and I look forward to our continued collaboration on acquisition work force issues.

[The prepared statement of Hon. Gerald E. Connolly follows:]

Opening Statement of Congressman Gerald E. Connolly
“On the Front Lines of the Acquisition Workforce’s Battle Against Taxpayer Waste”
November 16th, 2011

Thank you, Chairman Lankford for convening this hearing to review the Federal Acquisition Institute Improvement Act and other acquisition personnel issues. I appreciate your attention to this issue, which is of critical importance to federal employees, contractors, and taxpayers. As you know, Senator Collins and I introduced companion bills to strengthen the Federal Acquisition Institute (FAI), and my legislation has been included in the House National Defense Authorization Act. I appreciate the administration’s support for our efforts and believe this bill would support Donna Jenkins’ efforts to strengthen FAI and look forward to discussing the bill with both panels of witnesses.

In addition to strengthening FAI, it is appropriate that we would consider other acquisition workforce policies which could improve federal efficiency and the delivery of services. Chief among those are personnel policies with respect to recruitment, retention, and compensation, which are related. As the thoughtful staff memorandum for this hearing noted, the acquisition workforce is experiencing a “silver tsunami” in which 25% of employees could retire within the next 10 years. This shortage would only be exacerbated by mindless attempts to slash the federal workforce through attrition or layoffs. Federal agencies need to be recruiting the next generation of acquisition staff right now while training existing personnel to adapt to a changing procurement environment which is more focused on services and technology. In order to recruit new staff and retain existing staff, it is imperative that we maintain competitive compensation packages. While federal employees may never be paid as much as their private sector counterparts, we cannot allow the gap to widen so much that we lose our best acquisition personnel to the private sector.

Fortunately, many individuals and agencies are leading the way to improve the acquisition workforce. The administration’s 25 Point Plan for IT Reform calls for the creation of acquisition career paths focused on technology, on which OMB and FAI are collaborating. DOD is hiring 10,000 new acquisition personnel over the next four years. Donna Jenkins has expanded FAI staff by 50% to meet growing agency demands, and is partnering with a diverse set of agencies to maximize the impact of a very small team of individuals. The Veterans Affairs Administration has opened an outstanding acquisition training academy in the National Capital Region. These all are laudable efforts, and I hope that we will learn how we can best support them, including but not limited to passing the Federal Acquisition Improvement Act.

At a recent hearing we learned about one appalling consequence of a lack of contracting oversight—widespread human trafficking among overseas subcontractors. We must maintain a focus on this issue because whether it is human trafficking or the failure to hold down contract costs, our acquisition personnel are on the front lines on behalf of our constituents. Thank you again for holding this important hearing, and I look forward to our continued collaboration on acquisition workforce issues.

Mr. LANKFORD. Thank you, Mr. Connolly. Other Members may have 7 days to submit opening statements or extraneous materials for the record.

We will now welcome our first panel, the Honorable Dan Gordon. He is the Administrator of the Office of Federal Procurement Policy for a little while longer. Dan has been a forceful advocate on behalf of the acquisition work force for many years. In his role as OFPP Administrator, he has been a tireless proponent for the men and women who steward our taxpayer dollars. And we appreciate that.

Recently, Dan announced his intent to leave Federal service to join the distinguished faculty at George Washington University Law School as an associate dean. It seems fitting to have Dan here today to discuss one of his passions, the acquisition work force, which was the centerpiece for his Senate confirmation hearing 2 years ago. I do thank you for your distinguished service, congratulate you on your new position and look forward to continuing to pick your brain in the days to come on the things that you see as deficiencies and ways we can go after this and be able to solve some of the problems.

Pursuant to committee rules, witnesses will be sworn in before they testify. I would ask you, Mr. Gordon, if you would please rise and raise your right hand.

[Witness sworn.]

Mr. LANKFORD. Let the record reflect the witness answered in the affirmative. You may be seated.

In order to allow time for discussion, you know the drill here very well, you have been here before, we would ask you to limit your testimony to 5 to 10 minutes, then we are going to pepper you with questions after that. Your entire written statement will be made part of the record, so feel free to be able to make oral statements that are above and beyond your written statement as well.

We now recognize you for 5 minute for an opening statement, Mr. Gordon.

STATEMENT OF DANIEL I. GORDON, ADMINISTRATOR, FEDERAL PROCUREMENT POLICY, OFFICE OF MANAGEMENT AND BUDGET

Mr. GORDON. Chairman Lankford, Ranking Member Connolly, other members of the subcommittee, thank you for having me here today. There is nothing that I care about more in the acquisition system than strengthening our acquisition work force. It is my top priority, it is our top priority. And I'd like to talk about a number of points in this brief opening statement.

I do want to broaden the scope a bit wider, and you will see what I mean in a moment, because I think it is helpful to have somewhat more context. As you said, Mr. Chairman, the Federal acquisition system spends in buying goods and services more than half a trillion dollars a year. That number was going up very fast between 2000 and 2009. I am happy to report that in fact, we have slowed that down so that in 2010, the number actually went down. And while we don't have final numbers for 2011, it appears that they will be roughly at that lower level of 2010.

The Federal acquisition work force, as you said, Mr. Chairman, handles that half a trillion dollars a year, and it is very important

that they be in a position to protect the integrity of the Federal procurement process. That is why Congressman Connolly's comments resonate so much with us in terms of protecting and strengthening the Federal acquisition work force.

When I talked about broadening the scope, I want to make clear that when we say the acquisition work force, we mean more than our contracting officers and contract specialists, what we in the personnel system call our 1102s. It also includes our contracting officer's representatives [CORs]. In some agencies, they are called COTARs, contracting officer's technical reps. They play a key role in contract management, contract oversight. And that is a role that has been much neglected, frankly, over the last quarter of a century. I want to talk a little bit about strengthening that COR role.

In addition, we have project and program managers who are part of the acquisition work force but are often disconnected from the actual contracting shops.

One of the things that we have tried to do in this administration is look at that entire acquisition work force and be sure that we are strengthening that entire work force. We in OMB have been at the forefront of efforts to strengthen the work force. As I am sure you know, the President's budget for 2011 and 2012 requested significant dollar investments in the Federal acquisition work force. And while Congress did not appropriate all the money that we requested, we did have some success in strengthening the acquisition work force at a good number of agencies.

But when I talk about broadening the scope, I want to talk about it in a different dimension as well. Because for much of the last quarter of a century, when we talked about acquisition, we really talked about who got the contract, the award of the contract was usually our focus. And in this administration, we have tried to broaden that scope as well, so that we spend much more time and energy focused on acquisition planning. Because frankly, whether it is a large IT project or any other large project, when we screw up, often it is because we didn't do good acquisition planning.

And then after the award of the contract, we need to do a much better job of contract management, to be sure that we hold contractors to the promises they made. They did, after all, sign a contract. And we need to be sure that they deliver on schedule, on cost and with the performance level that they promised us.

Let me in the brief time that I have highlight a couple of the ways in which we have tried to improve acquisition planning in the work force. Number one, our mythbusters memo that we put out in February of this year talks about the need for our acquisition work force to listen to industry, to talk to industry, to have better communication with industry. We can't do our job properly if we are not talking to and listening to industry.

Second, as Congressman Connolly pointed out, we are focused on strengthening specialized acquisition cadres for IT, for services and for others, so that the acquisition cadre can do a better job of planning our acquisitions and carrying them out.

In terms of contract management, because of shortage of time, let me just mention that we have raised the bar for the standards to be a contracting officer's representative. We now have a three-tier certification process, so that the COR, or the contracting officer's

representative, overseeing a very large contract, is someone that has the experience, that has the training to oversee that very large contract.

In the area of training, you are going to have the benefit in the next panel of hearing from both Donna Jenkins at the Federal Acquisition Institute and Katrina McFarland at the Defense Acquisition University. I will only tell you that we have worked closely with both and done our best to strengthen their efforts and to see to it that they are working together, as they are, so that our taxpayer funds are being well spent.

The fact is, as the stewards of the taxpayer dollars, we need to be sure that we doing everything that we can to avoid fraud, waste and abuse, and also to spend the money in an intelligent way. Our acquisition work force, if treated properly, if trained properly, if compensated properly, can be the best protection for the acquisition process. And we appreciate this committee's commitment to improving the acquisition work force.

I am happy to answer any questions that committee members have.

[The prepared statement of Mr. Gordon follows:]

STATEMENT OF
 THE HONORABLE DANIEL I. GORDON
 ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY
 OFFICE OF MANAGEMENT AND BUDGET
 BEFORE THE
 COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
 SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
 INTERGOVERNMENTAL RELATIONS AND PROCUREMENT REFORM
 UNITED STATES HOUSE OF REPRESENTATIVES

November 16, 2011

Chairman Lankford, Ranking Member Connolly, and members of the Committee, I appreciate the opportunity to appear before you today to discuss the importance of strengthening the federal government acquisition workforce. A capable and appropriately sized workforce serving as stewards of taxpayer dollars is a critical element in providing better acquisition outcomes and improving government performance. This Administration has accomplished much in this area, and I look forward to sharing with you the concrete progress we've made on a number of important workforce initiatives.

Between FYs 2000 and 2008, spending on contracting doubled while the size of the acquisition workforce remained essentially flat. This lack of capacity has caused harm at every step of the acquisition process, from inadequate communication with industry, poor definition of the government's requirements, unjustified sole-source contracting, and poorly-run competitions, to failure to adequately oversee the contractor and ensure that it delivers what it committed to, in terms of cost, schedule, and performance.

To reverse this trend, it has been a top priority of this Administration to make sure agencies apply fiscally responsible acquisition practices that cut contracting costs and better protect taxpayers from cost overruns and poor performance. The President's March 2009 directive to improve federal procurement practices has instilled a new sense of accountability in agencies and fostered the recent Campaign to Cut Waste. While there is much left to be done, there are clear signs of progress.

- **We have stopped uncontrolled contract spending.** In FY 2010, spending on federal contracting decreased for the first time in 13 years –by nearly \$15 billion when compared to the amount spent in the prior year and \$80 billion less than what would have been spent had contract spending continued to grow at the same rate it had under the prior Administration. As agencies complete the validation of their contract data covering the past fiscal year, we expect it will show that FY 2011 spending remained near the FY 2010 lower levels.
- **We are buying smarter.** We have reformed the way the government buys everyday commodities, such as office supplies and overnight delivery services, so that we are – finally

– leveraging the federal government’s purchasing power as the world’s largest customer to deliver a better value for the American taxpayers. Increased use of government-wide contracts for these requirements saved nearly \$30 million for domestic delivery services and \$18 million for office supplies in FY 2011. Our savings from strategic sourcing will grow larger as agencies across the government pool their resources for print management services, wireless plans, and software licenses.

- **We are paying closer attention to our large and complex projects, particularly in the IT arena.** As a result of our collaboration with OMB’s Office of E-Government and Information Technology in implementing the “25 Point Implementation Plan to Reform Federal Information Technology Management” and consistent with our “Myth-Busters” campaign to increase and improve communication with vendors, agencies are working to conduct more open communication with industry before a solicitation is issued to better understand how the marketplace can meet our needs. In addition, new guidance issued by the Office of Federal Procurement Policy (OFPP) has provided agencies with a roadmap to establish specialized acquisition cadres that can concentrate on information technology purchases and the challenges unique to this critical class of acquisitions. OMB and the agencies have conducted “TechStats” to diagnose the causes of underperforming IT projects and get them back on track and “AcqStats” to identify opportunities for systemic improvements in the acquisition process for IT and other investments.
- **We are paying closer attention to inherently governmental and critical functions.** We have issued the final policy letter on how agencies should manage the performance of inherently governmental and critical functions. As part of acquisition planning, agencies must confirm that services being procured do not include work that must be reserved for performance by Federal employees and, if services will be performed by contractors, that the agency will be able to manage the contractors appropriately. If agencies determine that an overreliance on a contractor has occurred after award, they may need to rescope the contract, increase agency management and oversight of the contract, or insource a portion of the work.
- **We are stepping up accountability.** We have given our contracting officers a new tool -- the Federal Awardee Performance and Integrity Information System -- to provide them with broadened access to information about the integrity of contractors -- including suspensions and debarments, contract terminations, and contractor disclosure of adverse criminal, civil, and administrative actions -- so that they can more easily determine whether a company is playing by the rules and has the requisite integrity to do business with the government. Additionally, we have continued to make concerted efforts to address the issue of contractors receiving federal contracts notwithstanding tax delinquencies, and have increased the amount collected from contractors owing tax debts -- more than \$110 million in FY 2010. And, we are tracking spending at the subcontractor level on USASpending to ensure unprecedented transparency.
- **We are buying more from small businesses.** In FY 2010, the federal government awarded nearly \$100 billion in government contracts to small businesses, which is equivalent to

22.7% of total eligible dollars. This marks the largest two-year increase in over a decade and the second consecutive year of increases after three years of decline. Even more opportunities will open up as we unveil new small business buying tools and modernize existing ones. These actions are enabling agencies to reap the benefits of the innovations and skill that small businesses bring to the federal marketplace. And when we do buy from small businesses, we are making sure that they get paid faster. Earlier this fall, OMB issued a memorandum directing agencies to begin accelerating payments to small business contractors. Agencies have already begun to implement this policy, cutting the time in which they pay small businesses by up to half in many cases. This is getting money back in the hands of small businesses faster, improving their cash flow and allowing them to reinvest funds in their business.

Sustaining these important efforts, as well as achieving success with new efforts to cut unnecessary and wasteful spending depends on a capable and competent acquisition workforce. More than just contracting personnel, the acquisition workforce also includes Project and Program Managers who define requirements, Contracting Officer's Representatives (CORs) who oversee performance of the contracts, and often other subject-matter experts - all of whom work together to realize savings and reduce contract risks. Our contracting and program offices must understand the marketplace and work collaboratively to clearly describe the government's requirements in a way that can generate robust competition - our most effective tool for achieving best value for the taxpayer. Led by our contracting officers, our acquisition teams must be able to negotiate lower prices, favorable contract terms, and the right incentives to ensure that contractors control their costs and perform efficiently. The acquisition workforce is also critical in implementing our new policy on inherently governmental and critical functions. They play a vital role both prior to contract award by confirming that services do not include work that must be reserved for performance by Federal employees, and after contract award by addressing issues where an overreliance on contractors may have occurred.

Once a contract is awarded, a staff of well-trained CORs is critical for contract management as they ensure that contractors perform as promised and work to take corrective action to address performance shortfalls. When use of a higher-risk vehicle, such as a cost-reimbursement contract, is justified, the acquisition workforce must be able and ready to deploy the broader range of management skills these contracts demand - including finance, accounting, cost and price analysis, and program management. For highly complex contracts, such as those for IT systems and services, the same acquisition team of key experts and stakeholders that worked to develop the requirement must remain active in evaluating all aspects of the project, and ensuring delivery of promised functionality.

OMB has been at the forefront of efforts to strengthen the acquisition workforce, including creating a senior-level position within OFPP whose primary focus is on improving the acquisition workforce. I'd like to bring your attention to a few of our achievements in strengthening the acquisition workforce.

In October of 2009, OMB issued its Acquisition Workforce Development Strategic Plan which requires agencies to perform comprehensive human capital planning specifically for their acquisition workforce. This planning requires agencies to analyze their acquisition workforce, determine skill gaps, and address training and developmental needs, with the ultimate goal of increasing the competence of the workforce. The result is that agencies better understand how acquisition can strategically contribute to accomplishing the agencies' mission and can tie acquisition more closely to agency budget processes.

Our efforts to strengthen the acquisition workforce included requests in both the FY 2011 and FY 2012 Budget to increase the capacity, capability, and effectiveness of the civilian agency acquisition workforce. Agencies have experienced some success in building the capacity of their acquisition workforce; the number of civilian agency contracting professionals in the GS-1102 series grew by six-and-a-half percent from FY 2009 to FY 2010 and the number of Department of Defense GS-1102s grew by slightly less. Identifying CORs and Project and Program Managers at civilian agencies has been more challenging. Because these functional groups do not have their own occupational series and because they typically are not located in the contracting office, they are not easy to identify. Through a focus on these important segments of the acquisition workforce and the introduction of a new system to track them, the identification of CORs and Project and Program Managers has significantly improved since FY 2009 and is continuing to improve. By identifying these workforce members, we can ensure they are trained and certified in accordance with our certification programs, resulting in a more competent workforce.

OMB has given particular attention to skills associated with acquisition planning and contract management. For too long, because of insufficient numbers of contracting professionals, we have focused so much on awarding contracts that we have neglected acquisition planning and contract management, both of which are important in obtaining successful acquisition outcomes. Too often, agencies have taken old requirements, dusted them off and reused them, instead of reviewing them to see if they meet their current needs. By taking time to develop appropriate requirements, agencies can increase competition, get better pricing and obtain a more effective acquisition solution. Now, after years of inattention, we are restoring the capacity of contracting professionals to plan effectively and negotiate aggressively, and building the capability of those responsible for contract management to ensure vendors meet their contractual promises. I'd like to provide a few examples of our accomplishments in these areas.

In February, 2011, OMB issued a memo on "Myth-Busting," part of OMB's 25 Point Plan, which addressed misconceptions impeding communication with industry during the acquisition process. As we visited various federal agencies, we learned that far too frequently there was little meaningful contact with industry during market research. Our industry partners are the experts in what solutions are available in the marketplace, so we encouraged productive interactions between federal agencies and industry to ensure that the government clearly understands the marketplace and can award a contract or order for an effective solution at a reasonable price. Since issuance of the memo, we have performed significant outreach to

kickstart the conversation on how to effectively engage vendors during acquisition planning. The Federal Acquisition Regulation (FAR) authorizes many avenues of vendor communication, but contracting officers are reluctant to take advantage of the flexibilities, perhaps because they are overworked, out of fear of protests, or for other reasons. We have been encouraging agencies to develop practices that will ensure early, frequent, and constructive communication during the acquisition process. Agencies have embraced our guidance and many agencies have already posted their vendor communication plans on their public webpages. We have plans to address both industry myths and vendor-friendly contract strategies in the future in order to continue the conversation and effect even better acquisition outcomes.

In July, 2011, OMB issued guidance for specialized IT acquisition cadres, also part of OMB's 25 Point Plan. The concept of developing specialized IT acquisition cadres was primarily driven by the fact that far too often, federal IT acquisitions are plagued by budget overruns, missed milestones, and/or failure to deliver expected functionality. Our guidance addressed how to organize a specialized IT acquisition cadre, what functions should be included in the cadre, and how to strengthen cadre skills and capabilities. We suggested that various support staff members could help improve program outcomes, such as customer liaisons, commodity experts and cost/price analysts, because they could focus on specific areas of acquisition and take the burden off of our overworked contracting professionals. We encouraged members of cadres to gain knowledge and skills in their specialized area by training, obtaining on-the-job experience, or by pursuing developmental activities. In developing the guidance, we visited many agencies, some of which already had notable success in developing specialized IT cadres. For example, the Department of Veterans Affairs demonstrated that acquisition outcomes can be positively affected by customer liaisons and collaboration, key tenets of specialized cadres. To be more specific, at the Department's Technology Acquisition Center, an Acquisition Rapid Response Office is the first stop for procurement requests. A team comprising the procurement coordinator, contracting officer, contract specialist, and engineer works with the customer to clarify, improve, and assist in developing the requirement. Spending time in developing the requirement up front pays off with a better acquisition solution, particularly with high-risk and complex procurements. The idea of developing a cadre for contracting professionals working in a specialized area, while particularly helpful for large IT acquisitions, may be beneficial for other specialized program areas as well. For example, the National Institutes of Health, in the Department of Health and Human Services, developed a cadre around the acquisition of highly scientific services. The National Institutes of Health reports that having contracting professionals partner closely with their Ph.D./M.D. scientific customers improves everyone's understanding of how results from one contract affect the overall program which ultimately results in better acquisition outcomes. Agencies have analyzed their current IT acquisition management staffing challenges to determine if they will either implement or expand the use of specialized IT acquisition cadres, how they will resource the cadres, how they will train and develop the cadres, and how they will measure success.

We also recognize the importance of strengthening contract management. In September, 2011, OMB issued an update to the Federal Acquisition Certification for CORs, which applies to civilian agency CORs. These updated certification standards reflect OMB's recognition of the

important role of CORs in ensuring that contractors meet the commitment of their contract and the fact that CORs are increasingly asked to manage high-value, complex contracts that involve varying degrees of risk. The revised Federal Acquisition Certification for CORs incorporates three levels of certification, with Level III reserved for CORs assigned to the most complex and mission-critical contracts within the agency. To maximize the effectiveness of the COR, we encouraged agencies to provide mentors to CORs to help them develop their capabilities, encouraged CORs and contracting officers to work closely together, and encouraged agencies to rate their CORs on their COR duties, which are often collateral duties, as part of their annual performance review.

In addition to these initiatives, I'd like to briefly highlight a few other activities that we have initiated over the past two years:

- The Federal Acquisition Institute and OFPP have hosted a number of learning events, for instance, a recent Acquisition Learning Webinar on the new FAC-COR and best practices for CORs. It was a huge success, with 5600 individuals from across the country logging in to participate.
- Several months ago, a group of newer acquisition professionals from the Department of Education came to brief me on their concept for a "Rising Acquisition Professionals Community," which they call "RAP-C." They said they wanted to connect with their peers at other federal agencies and were willing to host learning and networking events. I was impressed with their plan and pledged OMB's support; with that, a community of new acquisition professionals was born. Since then, the Rising Acquisition Professionals Community has held several networking events and even developed a page on Facebook. We envision an ever-widening network of new and engaged contracting professionals.
- OFPP has several forums for sharing acquisition improvement initiatives and best practices: a monthly teleconference with Senior Procurement Executives, a quarterly Front Line Forum with front line contracting professionals from across the federal government, and a monthly "Notes from the Administrator."
- OFPP holds acquisition status ("AcqStat") sessions with each large agency to find out how our initiatives are improving overall acquisition outcomes and contributing to mission success, and to share best practices among agencies.

In addition to these government-wide initiatives, individual agencies have developed their own initiatives as part of their acquisition human capital planning. OFPP's Associate Administrator for Acquisition Workforce Programs works closely with the Federal Acquisition Institute, Defense Acquisition University, and individual agencies to leverage resources and share best practices in strengthening the acquisition workforce. Again, I'd like to highlight a few:

- Many agencies, such as the Department of Veterans Affairs and the Department of Homeland Security are using intern programs to provide structured paths for training and development.
- The Department of Education has an on-boarding program in which new acquisition workforce members are more formally integrated into the acquisition office and provided a path ahead for training and development.
- Many agencies are developing specialized agency training for their acquisition workforce, including cross-training of the various functions to improve collaboration and communication. The Department of the Interior and the National Aeronautics and Space Administration both have periodic webinars in order to reach acquisition workforce members around the country.
- Finally, many agencies, such as the Department of Health and Human Services, the Department of the Interior, and the Department of Homeland Security, bring their acquisition workforce together at an agency procurement conference. They bring in various speakers to provide focused training and networking opportunities to their acquisition workforce members. Where capacity is available, they frequently invite acquisition workforce members from other agencies to attend as well, which helps to leverage training resources.

As stewards of the taxpayer dollars, we are responsible for ensuring that agencies are achieving the best results possible from their contractors. As my tenure as OFPP Administrator draws to a close, I look back with great pride on the accomplishments that the acquisition workforce has made over the past two years to eliminate waste and get better value for our taxpayers – by buying less, buying smarter, reducing unnecessary risk from contracts, increasing opportunities for small business contractors, and strengthening the workforce’s ability to negotiate better deals and hold contractors to their promise of delivering on time and on budget. I have great confidence that my OFPP colleagues, along with our agency acquisition professionals, will sustain and build on this progress.

I thank the Committee for its leadership and support during my tenure and look forward to seeing the continued improvements that will be made to our federal acquisition system through the collaborative efforts of this Committee, other members of Congress, OMB, and our procuring agencies.

This concludes my remarks. I am happy to answer any questions you may have.

Mr. LANKFORD. Thank you, Mr. Gordon.

Let me recognize myself initially for a first round of questions. You obviously walked into this whole thing in motion. You inherited issues, you worked at it significantly for a couple of years and now you are leaving for other things.

What is the next person coming in, what should be the first thing they take on? You would say, this is the low-hanging fruit, this is the big project that must be done right now?

Mr. GORDON. I will tell you, Mr. Chairman, my response is going to be related to a point that Congressman Connolly made. I am very concerned, very concerned that the progress we have made over the past 2 years is at risk. Budgetary pressures risks slashing the Federal acquisition work force, whether it is a matter of cutting salaries, cutting benefits, showing disrespect for our Federal work force, cutting the numbers of our people, cutting the training that they are getting. We cannot protect the Federal acquisition process without a good Federal acquisition work force. And I am very concerned that budgetary pressures are going to unroll much of the progress that we have had.

Mr. LANKFORD. And the task that the next person has coming in as far as midstream to the projects that you have, I understand that, because that is true of every agency, everything that we do in every part of America and every company currently. Not every, but many companies in America are dealing with that same issue. The next director that walks in, what is the project that needs to be first on their desk?

Mr. GORDON. I think the priorities are going to remain the same priorities. My priority number one has been, strengthen the Federal acquisition work force. That means look for opportunities for training, it means do outreach. The second priority is fiscal responsibility. We need to buy less, we need to buy smarter. One of the benefits of buying smarter is that it reduces the burden on the Federal acquisition work force. Strategic sourcing, by having vehicles in place governmentwide means that individual contracting officers don't need to run competitions for contracts. That reduces their workload and is helpful.

Rebalancing our relationship with contractors, whether it is improving the communication, part of mythbusters, or seeing to it that we are doing better contract oversight. We need to be sure that we have a good balance in our relationship with contractors. I don't think that can change.

Mr. LANKFORD. Can I ask a quick question? As you are listening to contractors, what is the primary thing that is rising to the top? What are they saying the most? You say it is a major priority.

Mr. GORDON. Several things. And I do spend a lot of my time on the road. Listening is something that I learned from my mother as a very important skill. I try to listen a lot, whether it is to contractors or Federal officials or others.

Companies are very worried about the uncertainty of what is about to happen. They are very worried about the budget and how it is going to impact their own companies and their own company's work. They are very worried about unjustified regulation, which is why I and my colleagues have been so committed to being sure that we do a sensible cost benefit analysis before we impose new re-

quirements. They are concerned about excessive reporting requirements, both coming from the Congress and coming from us in the executive branch.

I think those may be the three. But I should mention in connection with mythbusters, because I hear this from vendors all the time. They are worried about communication being shut down. We need more communication and the companies tell me they are worried that in fact, too often they don't have enough communication.

Mr. LANKFORD. Do you feel like more contractors are trying to get involved in the process now or fewer? Do you feel like we are increasing competition, more small, medium, large businesses are engaging in this?

Mr. GORDON. We are certainly trying, sir.

Mr. LANKFORD. I am trying to get a feel for it. Do you think that is occurring? I understand there is outreach that is happening. Do you think we are getting more people in the pipeline that are bidding?

Mr. GORDON. When I look at the data, it looks like we do have an increase in competition and a decrease in sole source contracts. When I look at the number of dollars going to small businesses, I see increases. But boy, we have a lot more work to do.

Mr. LANKFORD. That is a common theme that I hear with a lot of the folks that are in my district that are trying to get engaged. It is still, the hurdles and the paperwork requirements and the processing, it seems to be significant for them. Both trying to discover what is out there or that the rules for acquiring a contract seem to be written specifically for a company and they don't fit that criteria. So trying to get involved in that. So trying to find ways to allow more people to compete obviously drives the cost down and raises up the next generation of large companies that we are going to need to take on these big issues.

Mr. GORDON. Absolutely. I will tell you that SBA has been working diligently, and we have been working with them, to try to reduce the barriers to entry. It is so tough to get into the Federal contracting arena. Typically for companies, the first contract is the toughest one to get. Once they have gotten one and they get a feel for how the system works, they can often compete and get further contracts. But breaking down the barriers to entry is tough. SBA is trying to simplify the process and to get materials online to help companies. But that is an ongoing challenge.

Mr. LANKFORD. Okay, thank you. I yield questioning to Mr. Connolly.

Mr. CONNOLLY. Thank you, Mr. Chairman. And welcome back, Mr. Gordon. It is good to see you again.

As you know, I introduced H.R. 1424, the Federal Acquisition Improvement Act, and Senator Collins introduced a companion bill in the Senate, bipartisan legislation. I would like your views on the legislation. Will it be helpful in terms of the mission of your organization and work force training?

Mr. GORDON. I will tell you, Congressman Connolly, that for us it is a breath of fresh air to have commitment like you have shown to improving training for our Federal acquisition work force. It is extremely important, and it is also good to see action up on the Hill that is bipartisan. It is also a good sign.

I will tell you that over the years, as you know, the Federal acquisition is often a bipartisan issue. And that is a healthy thing for our work force.

There are provisions in the bill that are clearly helpful. There has been some nervousness, frankly, on the part of people in my office that the bill's language would appear to make it look like the Office of Federal Procurement Policy would actually be running FAI. I don't think that was the intent, and we need to be sure, when the bill, if the bill is enacted, we need to be sure that we are able to keep having GSA in the important role that it has shown.

But with that caveat, I do think that the bill sends a very strong signal of improving and strengthening the Federal Acquisition Institute.

Mr. CONNOLLY. Yes, just on that last point, the bill explicitly allows OFPP to delegate management of FAI to GSA. You would prefer we explicitly just have GSA manage it without the delegation? I guess from our point of view in drafting the bill, we thought you have overall management responsibility and therefore we didn't want to in any way denigrate that responsibility. We actually thought we were being helpful. But we obviously could rewrite it to just put it in GSA.

Mr. GORDON. From our point of view, it makes more sense to keep FAI within GSA, which is the current placement. It seems to me that you still can get the benefits of the bill even leaving FAI in GSA. Because the real message of the bill is support for FAI. And that is very important to us.

Mr. CONNOLLY. None of use want to grow bureaucracy. But when I look, and we are going to hear in the next panel, but the comparison of how it is done in the defense world and how it is done for the rest of the civilian work force is so unbalanced in terms of resources committed to this mission and training, what is your sense about that? My understanding is, by default as a result, a lot of people who are in the civilian work force who get training end up having to go to the Defense Acquisition University because we simply don't have the wherewithal on the civilian side under FAI to do the training. Or at least the initial training.

Mr. GORDON. It is a very important issue. I should tell you, I am not sure you know, sir, I used to be a high school teacher. I care a lot about teaching, I care a lot about training. We need our training to be useful. It doesn't help to give training at a time where it is not going to help or in a way that is not going to help.

Online training is one of the ways to overcome the challenge you are talking about. And DAU, as you will hear from the next panel, DAU is working with FAI and others to share their resources in a very helpful way.

It is true that when we have civilians go to DAU courses, they sometimes feel like it is not beneficial because it is so oriented toward DOD. But the more those two institutions talk together and share resources together, the further our taxpayer dollars are going to go. So I am pretty optimistic about that.

Mr. CONNOLLY. That may be a good solution for a certain base level of training, presumably, because a contract is a contract at a certain level. But once you get into the specialization of that contract, I am dealing with pharmaceutical agents and how to manage

a contract on very delicate clinical trials and tests and outcomes and pricing or whatever, that has nothing to do with the mission of the Pentagon, presumably. And so at that level, I need a different level of training in order to make sure I know what I am doing and I am protecting the public's interest.

Where is that specialized training, where do you think that belongs on the civilian side?

Mr. GORDON. Well, every agency does some specialized training. Some of them do quite a bit. VA, mentioned earlier, VA has a terrific acquisition academy up in Frederick. Some of their training is VA-specific. I have been up there, I have listened to the interns that are there, I have talked to the faculty. They do a very good job. Other agencies also have agency-specific training. But just to be sure, I don't want anybody to be surprised by the facts, much of the training that we get is in fact from contractors. And those contractors often teach at all the different agencies' training. So it is the very same teachers in many of the courses.

Mr. CONNOLLY. Would the chairman indulge just one more question? I am assuming we don't have a second round?

Mr. LANKFORD. Yes, that is correct. I would yield another minute.

Mr. CONNOLLY. I thank the Chair. While we have you, I just want to ask your opinion, two things concern me about procurement and acquisition management in the Federal Government. One is level of expertise, and not meaning anything disparaging at all. But as contracts grow more and more complex technologically and get larger and have all kinds of feelers associated with them, do we have the right people in place who have the training and expertise to keep up with the contractors we have just hired to manage it?

Second, I am worried about internal personnel policies. There is terrible turnover, so there is a lack of continuity in the management of the contract. You could have many, many, many contract managers during the life of the contract. Even a brief life of a contract. I am concerned that with the best of intentions, that has a degrading effect on the quality of acquisition.

Mr. GORDON. I couldn't agree more. That is why in the 25 point plan that you alluded to earlier to improve IT acquisition, we committed to having a cross-disciplinary team that would be with the Acquisition with as little turnover as possible from the beginning of the acquisition planning all the way through contract management, so we would be sharing information between contracting people and IT people, and we would have continuity. We can't have situations where we have this imbalance between us and the contractors. The contractors know way more about it than us.

I have to tell you, I was at a session with companies a few months ago. One of the fellows said to me, you know, Dan, I am getting so tired of training my contracting officer's representative how to do their job. We need to strengthen our people to be sure that we have a balanced relationship. The contractors are incredibly important. But they are supporting us. And we need to be knowledgeable enough to do that.

Mr. CONNOLLY. Thank you. Thank you, Mr. Chairman, for your indulgence.

Mr. LANKFORD. Thank you. Mr. Labrador.

Mr. LABRADOR. Mr. Chairman, I yield back.

Mr. LANKFORD. Let me make just a quick comment, then, and we are going to close out this panel. Thank you again for your service and all you have done. Your comment there, I need to reiterate as well. I have multiple contractors that I have spoken to around the central Oklahoma area that have said the same thing to me, that they are training the person that they are working with, that they are very familiar with the processes and procedures, and that the contracting officers and individuals they are dealing with seem to be very risk averse. They are constantly taking the safest route, and they are having to show them, no, this is how it is done, and they go back and run it down and they come back.

The second issue we deal with is obviously something you alluded to as well, is retainment. They start a process with one person, in the middle of it they are with another one, and they end it with another person. The continuity of the decisions and the interpretation seems to move around. So those are not new ideas to you. Obviously those are issues that we will have to resolve in the days to come to be able to provide some sort of consistency in the process.

Do you want to make a comment on that?

Mr. GORDON. Just one brief comment if I could. First of all, I want to thank the committee for the hearing. It is a very important topic.

But I also want to say, when I meet with the front line acquisition professionals, we have a group that we call the front line forum. We bring in about three dozen contracting officers and contract specialists from across the government, defense and civilian. We happen to have them coming in tomorrow. They come in every 3 months to the White House complex. I ask them, what does it look like from your point of view? What are your perspectives? It is incredibly important that we be listening to them and that we be taking steps to strengthen them. I believe in the Federal acquisition work force that they in fact, if you unleash their innovation, their willingness to try things, you will get good results. I know that GAO issued a report yesterday about our contract savings effort. And in that report, you will see 10 pages, GAO pages, so a lot of text, page after page of all the innovations, the good innovations that our people are doing. Whether it is electronic reverse auction, strategic sourcing, better acquisition planning, our people can do the work if they are only allowed to do it and given the tools to do it. Thank you.

Mr. LANKFORD. Thank you, Mr. Gordon. With that, we will take a short break and transition to the second panel.

[Recess.]

Mr. LANKFORD. We welcome our second panel of witnesses, Mr. John Hutton, Director of the Acquisition and Sourcing Management of the U.S. Government Accountability Office; Mr. Roger Jordan, vice president for government relations, Professional Services Council; Ms. Donna Jenkins, the Director of the Federal Acquisition Institute of the General Services Administration; and Ms. Katrina McFarland, Director of the Defense Acquisition University.

All of you have very busy days and I appreciate very much your being here and the time that you put in on both your written statements and being here for oral statements and allowing us to be able to ask questions. I hope you understand this will be a dialog, we want to have a chance to get as much information as we can.

Pursuant to all committee rules, witnesses are sworn in before they testify. If you would please rise and raise your right hands.
[Witnesses sworn.]

Mr. LANKFORD. Thank you. Let the record reflect the witnesses have answered in the affirmative. You may be seated.

In order to allow time for discussion, the same rules will apply. We will ask you to limit your testimony to five or so minutes. I will be a little bit gracious with the timing on that, so we can hear your entire statement. Your entire written statement, of course, will be made part of the record on that.

I would like to recognize Mr. Hutton for an opening statement.

STATEMENTS OF JOHN P. HUTTON, DIRECTOR, ACQUISITION AND SOURCING MANAGEMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; ROGER JORDAN, VICE PRESIDENT OF GOVERNMENT RELATIONS, PROFESSIONAL SERVICES COUNCIL; DONNA M. JENKINS, DIRECTOR, FEDERAL ACQUISITION INSTITUTE, U.S. GENERAL SERVICES ADMINISTRATION; AND KATRINA G. McFARLAND, PRESIDENT, DEFENSE ACQUISITION UNIVERSITY, OFFICE OF THE UNDER SECRETARY OF DEFENSE ACQUISITION, TECHNOLOGY AND LOGISTICS, DEPARTMENT OF DEFENSE

STATEMENT OF JOHN P. HUTTON

Mr. HUTTON. Thank you, Mr. Chairman.

Chairman Lankford, Ranking Member Connolly and members of the subcommittee. I am pleased to be here today to discuss our recent work on acquisition work force issues at the Department of Defense, the government's largest buying entity.

The Federal Government's current budget and long-term fiscal pressures underscore the importance of a highly capable work force. Our work has found that a lack of an adequate number of trained acquisition and contract oversight personnel has placed DOD at times at risk of potentially paying more than necessary.

My remarks will focus on two topics based on our recent work. First, I will discuss DOD's progress in rebuilding the capacity of its acquisition work force. Second, I will offer specific insights into the Defense Contract Management Agency's efforts to rebuild its work force as an illustration of the overall challenges the Department faces.

Our work shows that DOD has made some progress in rebuilding the capacity of its civilian acquisition work force. DOD has established a goal of increasing this work force by 20,000 by fiscal year 2015, and DOD plans to reach its goal in two key ways: hiring personnel using the Defense Acquisition Workforce Development Fund and in-sourcing functions that were being performed by contractor personnel.

Using these two methods, DOD reports that it hired about 5,900 individuals in fiscal year 2010. However, the Department's plans

for continued acquisition work force growth are uncertain. DOD announced that it has halted the in-sourcing initiative, except on a case by case basis, and announced a hiring freeze for the civilian work force due to anticipated budget constraints. DOD has indicated that initiatives using Defense Acquisition Workforce Development Fund, including hiring for the acquisition work force, will continue.

But just as important as increasing the size of the work force is building the work force skills and expertise. We found that DOD has continued to make progress in completing the competency assessments which identify the skills and capabilities of the work force and help identify areas needing further attention. DOD reports that it has used these competency assessments in part to help revise the training curriculum for its contracting career field.

While these actions are focused on what is considered the traditional acquisition work force, we have also reported that DOD needs to identify the other personnel outside this traditional work force who have a role in acquisition, such as those who help set the requirements, or serve as a contracting officer's representative to manage and oversee contractor performance. These are functions that are key to sound acquisition outcomes. DOD notes that identifying this population is challenging in part because it is spread across many organizations. Also, the acquisition duties these people perform are often done as a secondary duty. Nonetheless, DOD agreed with several of our recommendations to help it get a better handle on who these people are and the skills they need to perform their roles in the acquisition process.

I will now briefly touch on our work-related DCMA. By the early 2000's, DCMA had experienced significant erosion of expertise, such that it could not fulfill all of its oversight functions. Since 2008, however, DCMA has been rebuilding its work force, making increasing use of the Defense Acquisition Workforce Development Fund to do so. For example, in fiscal year 2011, DCMA hired a little over 1,200 new employees under this authority.

DCMA has also taken steps to rebuild their skill sets. For example, by the late 1990's, DCMA had lost the majority of its contract cost price analysts. As a result, DCMA reported that DOD's acquisitions were subject to unacceptable levels of cost risks. Over the past 2 years, DCMA has hired almost 280 new contract cost price analysts and cost monitors.

One challenge facing DCMA is its large percentage of retirement-eligible employees, making the agency vulnerable to the loss of valuable technical expertise and organizational knowledge. In part, DCMA plans to mitigate this risk to aggressive recruiting and bringing back retired annuitants to help raise the skill levels of the newer employees.

In closing, DOD has made some progress in terms of growing the acquisition work force and identifying the skills and competency it needs. However, more needs to be done. The fiscal and budget challenges facing this Nation and DOD underscore the need for DOD to strategically manage its work force so that it has the right skills, capabilities and training to effectively manage the billions of dollars it spends on goods and services each year.

Whether DOD achieves its planned growth and unrelated work force improvement initiatives remains uncertain. But what is certain is that DOD can ill afford not to succeed in preparing its work force to meet its future needs. I would be happy to respond to any questions you may have.

[The prepared statement of Mr. Hutton follows:]

GAOUnited States Government Accountability Office

Testimony

Before the Subcommittee on Technology,
Information Policy, Intergovernmental Relations and
Procurement Reform, Committee on Oversight and
Government Reform, House of Representatives

For Release on Delivery
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**ACQUISITION
WORKFORCE****DOD's Efforts to Rebuild
Capacity Have Shown Some
Progress**

Statement of John P. Hutton, Director
Acquisition and Sourcing Management





Highlights of GAO-12-232T, a testimony before the Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The Department of Defense (DOD) is the government's largest buying entity and has recognized that rebuilding the acquisition workforce is a strategic priority. The federal government's current budget and long-term fiscal pressures underscore the importance of a capable and well-functioning workforce. GAO and others have long recognized that the size and capabilities of the workforce across the government warrant the attention of the Congress.

This statement discusses (1) DOD's progress in addressing challenges faced in rebuilding the capacity of the acquisition workforce, and (2) insights into the efforts by the Defense Contract Management Agency (DCMA) to rebuild its contract oversight capacity. This statement is drawn from our broad body of work on DOD contract management and acquisition workforce as well as a report issued earlier this month on DCMA's efforts to rebuild capacity. We also obtained updated information from DOD with regard to its acquisition workforce competency assessments and workforce hiring.

What GAO Recommends

GAO is not making any new recommendations in this statement. GAO has previously made recommendations to DOD to help address DOD's workforce challenges. DOD generally agreed with most of the recommendations and has efforts under way to implement them.

View GAO-12-232T. For more information, contact John Hutton at (202) 512-4841 or huttonj@gao.gov.

November 16, 2011

ACQUISITION WORKFORCE

DOD's Efforts to Rebuild Capacity Have Shown Some Progress

What GAO Found

DOD has made some progress in rebuilding the capacity of the acquisition workforce. For example, DOD reported that it hired about 5,900 civilians into the acquisition workforce in fiscal year 2010 using the Defense Acquisition Workforce Development Fund or as a result of decisions to convert functions previously performed by a contractor to performance by government personnel. DOD's plans for further growing the acquisition workforce remain uncertain because of budget issues. Building workforce skills and expertise is just as important, however, as increasing the size of the acquisition workforce. DOD also made progress in completing competency assessments, which identify the current skills and capabilities of the workforce and help identify areas that needed further management attention. DOD officials reported that DOD has completed three assessments, including contracting, life cycle logistics, and program management, and is drafting final reports for another six assessments. One area where DOD still faces challenges is determining the effectiveness of its training in improving acquisition outcomes. GAO recommended in 2010 that if DOD is to fully assess performance improvements, it needs to go beyond measuring the size of the workforce. DOD did not concur with the recommendation, stating that it believed existing metrics were sufficient to assess the impact of its training efforts on acquisition outcomes. GAO continues to believe DOD needs to develop additional metrics. Further, to help improve acquisition outcomes, GAO reported that DOD needed to assess the skills and competencies of and training provided to those people who have a role in acquisition but who are outside what DOD has formally defined as the acquisition workforce. GAO recommended that DOD establish criteria for identifying these personnel, assess the critical skills needed to perform their role in the acquisition process, and designate an organization that has the responsibility to track DOD's progress in identifying, developing, and overseeing personnel outside the defined acquisition workforce. DOD concurred with these recommendations.

The challenges DCMA is experiencing in rebuilding its capacity are illustrative of those faced by DOD. DCMA performs a critical role in helping to manage and oversee contractor performance. GAO's November 2011 report found that DCMA is attempting to rebuild its workforce, making increased use of the Defense Acquisition Workforce Development Fund. For example, in fiscal year 2011, DCMA reported it hired 1,221 new employees under this authority, a substantial increase from 166 hired in fiscal year 2009. GAO also noted that by the late 1990s, DCMA had lost the majority of its contract cost/price analysts, which, according to DCMA, meant many of its pricing-related contract administration responsibilities, such as negotiating forward-pricing rate agreements and establishing final indirect cost rates and billing rates, were no longer performed to the same level of discipline and consistency as in prior years. As a result, DCMA reported that DOD's acquisitions were subjected to unacceptable levels of cost risks. Over the last 2 years, DCMA reports it has hired 279 new contract cost/price analysts and cost monitors (bringing the agency's total number to about 400), extensively using the Defense Acquisition Workforce Development Fund to do so.

Chairman Lankford, Ranking Member Connolly, and Members of the Subcommittee:

I am pleased to be here today to discuss our recent work on acquisition workforce issues. GAO and others have long recognized that the size and capabilities of the workforce across the government warrant the attention of the Congress. The federal government's current budget and long-term fiscal pressures underscore the importance of a capable and well-functioning workforce.

Today I would like to focus in particular on the government's largest buying entity and discuss our issued work on the challenges facing the Department of Defense's (DOD) acquisition workforce.¹ In our February 2011 high-risk report, we noted that among the actions DOD needed to take to improve outcomes on the hundreds of billions of dollars spent annually on goods and services was to ensure that its acquisition workforce was adequately sized, trained, and equipped to meet the department's needs.² Our work has found that a lack of an adequate number of trained acquisition and contract oversight personnel contributed to unmet expectations and has placed DOD, at times, at risk of potentially paying more than necessary.

Likewise, DOD has recognized that rebuilding its acquisition workforce is a strategic priority. According to the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD/AT&L), to successfully accomplish the acquisition mission and ensure the best value for the expenditure of public resources, DOD will place greater emphasis on having a high-quality workforce with the right competencies and skill sets. To do so, DOD issued an acquisition workforce plan in April

¹ The Defense Acquisition Workforce Improvement Act recognized acquisition as a multidisciplinary career field for DOD comprised of 11 functional areas (Pub. L. No. 101-510, § 1202(a) (1990) (codified, as amended, at 10 U.S.C. § 1721 (a), (b)). The 11 functional areas are—program management; systems planning research, development, engineering, and testing; procurement, including contracting; industrial property management; logistics; quality control and assurance; manufacturing and production; business, cost estimating and financial management, and auditing; education, training, and career development; construction; and joint development and production with other government agencies and foreign countries. Since the act was passed, DOD has expanded the original list of 11 functional areas to a total of 16 career fields/paths.

² GAO, *High-Risk Series: An Update*, GAO-11-278 (Washington, D.C.: February 2011).

2010 that identified planned workforce growth in support of the Secretary of Defense's strategy to resize and rebalance the acquisition workforce.

My statement today will address DOD acquisition workforce issues from two perspectives. First, I will provide an overview of DOD's progress in addressing challenges faced in rebuilding the capacity of the acquisition workforce. I will then provide specific insights into the efforts of the Defense Contract Management Agency (DCMA) to rebuild its contract oversight capacity. This statement today is drawn from our broad body of work on DOD contract management and acquisition workforce, including work reflected in our February 2011 high-risk update as well as our October 2010 and September 2011 acquisition workforce reports.³ Additionally, we relied on our November 2011 report that assessed the progress and challenges facing DCMA.⁴ We also obtained updated information from DOD with regard to its acquisition workforce competency assessments and workforce hiring data. This work was prepared in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

³ GAO-11-278; GAO, *Defense Acquisition Workforce: DOD's Training Program Demonstrates Many Attributes of Effectiveness, but Improvement Is Needed*, GAO-11-22 (Washington D.C.: Oct. 26, 2010); and GAO, *Defense Acquisition Workforce: Better Identification, Development, and Oversight Needed for Personnel Involved in Acquiring Services*, GAO-11-892 (Washington, D.C.: Sept. 28, 2011).

⁴ GAO, *Defense Contract Management Agency: Amid Ongoing Efforts to Rebuild Capacity, Several Factors Present Challenges in Meeting its Missions*, GAO-12-83 (Washington, D.C.: Nov. 3, 2011).

**DOD's Progress in
Addressing
Challenges in
Rebuilding the
Capacity of the
Acquisition Workforce**

DOD has made some progress in rebuilding the capacity of the civilian acquisition workforce and in completing competency assessments, which identify the current skills and capabilities of the workforce and help identify areas that needed further management attention. Included among the workforce issues facing DOD are (1) determining the right size of the acquisition workforce, (2) updating acquisition training based on ongoing competency assessments and measuring the effect of training on acquisition outcomes, and (3) identifying personnel outside the acquisition workforce who have a role in acquisition.

**Steps Taken to Increase
the Size of the Acquisition
Workforce**

In April 2009, the Secretary of Defense announced his intent to increase the size of the acquisition workforce, in part, to (1) help address concerns that DOD had become too reliant on contractors to support core functions and (2) rebuild the capacity and skill sets that had been eroded in the years that followed the downsizing of the workforce in the 1990s. DOD's April 2010 acquisition workforce strategic plan identified an objective of increasing the civilian acquisition workforce, which totaled about 118,000 civilians as of September 2009, by 20,000 personnel by fiscal year 2015. This growth would be accomplished both through the hiring of new personnel using funding provided through the Defense Acquisition Workforce Development Fund⁵ as well as through the "insourcing"—or conversion to government performance—of functions that were being performed by contractor personnel. Data provided by the USD/AT&L indicate that DOD hired about 5,900 individuals using the Defense Acquisition Workforce Defense Fund as well as through insourcing in fiscal year 2010.

DOD officials also noted that a combination of other factors, including hiring by the military departments (excluding those hired using Defense Acquisition Workforce Development Funds or that were the result of an insourcing decision), movement within DOD from one career field to another, or administrative changes, such as reclassifying existing positions as being within the acquisition workforce, increased the total reported number of civilians within the acquisition workforce by about

⁵ The National Defense Authorization Act for Fiscal Year 2008 established the Defense Acquisition Workforce Development Fund to provide additional funds for the recruitment, training, and retention of acquisition personnel of the Department of Defense. Pub. L. No. 110-181 § 852; codified in 10 U.S.C. § 1705.

8,500. Overall, DOD officials reported that the civilian acquisition workforce was about 133,000 at the end of fiscal year 2010.

The department's plans for growing the acquisition workforce remain uncertain. In August 2010, the Secretary of Defense announced that the insourcing initiative was being halted, though DOD would continue to insource positions on a case-by-case basis. Further, because of anticipated future budget constraints, the Secretary of Defense announced in March 2011 a hiring freeze for DOD's overall civilian workforce, but he indicated that the initiatives using the Defense Acquisition Workforce Development Fund would continue. DOD had planned to issue an updated strategic workforce plan for the acquisition workforce earlier this year but has not yet done so, in part, because of the uncertainty regarding future budgets. DOD officials indicated that the plan may not be released until April 2012. At this time, we do not know whether DOD's updated plan will include information on the funding needed to achieve its acquisition workforce objectives.

DOD Efforts to Identify Competencies and Update Acquisition Workforce Training

Just as important as increasing the size of the acquisition workforce is building workforce skills and expertise. Our work has shown that federal agencies need to determine the occupations, skills, and competencies critical to achieving their missions and goals, as well as to identify any gaps between their current workforce and the workforce they will need in the future.⁶ By taking these steps, agencies would be in a better position to adjust to changes in technology, budget constraints, and other factors that alter the environment in which they operate. The DOD acquisition workforce is no exception.

The Defense Acquisition Workforce Improvement Strategy outlines a competency assessment strategy for the acquisition workforce as a means to assess workforce capability using updated and validated enterprise-wide models, data and information. In September 2010 we

⁶ GAO, *Workforce Planning: Interior, EPA, and the Forest Service Should Strengthen Linkages to Their Strategic Plans and Improve Evaluation*, GAO-10-413 (Washington D.C.: Mar. 31, 2010); GAO-11-278; GAO, *Human Capital: Further Actions Needed to Enhance DOD's Civilian Strategic Workforce Plan*, GAO-10-814R (Washington, D.C.: Sept. 27, 2010); and GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, GAO-04-546G (Washington, D.C.: Mar. 2004).

reported DOD had completed only one of its planned 13 assessments.⁷ Over the past year, however, DOD has reported making progress in completing some of the remaining 12 assessments. For example, according to the Deputy Director of AT&L human capital initiatives, DOD has completed two additional competency assessments. Thus, competency assessments have now been completed in the areas of contracting, life-cycle logistics, and program management. DOD is drafting the final report for another six competency assessments.

DOD officials have reported that they have used these competency assessments, in part, to help revise the training curriculum for its contracting career field. DOD's contracting competency assessment found that there was inconsistency in fundamental contracting skills and in the source selection process and that more advanced training on pricing was needed. In March 2011, the Office of Defense Procurement and Acquisition Policy announced plans to revise the training standards for its contracting career field, effective October 1, 2011. According to DOD, the changes in the curriculum incorporated more emphasis on pricing, services contracting, and competition, among other things, and were based on the competency assessments and discussions with senior procurement executives and contracting leaders. Similarly, in August 2011 DOD noted plans to make changes in its purchasing and industrial/contract property management curricula.

One area where DOD still faces challenges is determining the effectiveness of its training in improving acquisition outcomes. We reported in 2010 that if DOD is to fully assess performance improvements, it needs to go beyond measuring the size of the workforce.⁸ We recommended that DOD establish milestones for the development of metrics to measure how acquisition certification training improves the proficiency and capability of the acquisition workforce, in order to demonstrate and track how training efforts contribute to improved acquisition workforce performance. DOD did not concur with the recommendation stating that it believed existing metrics were sufficient to assess the effect of its training efforts on acquisition outcomes. We continue to believe DOD needs to develop additional metrics.

⁷ GAO-10-814R.

⁸ GAO-11-22.

DOD Needs to Look Beyond the Formally Defined Acquisition Workforce

To help improve acquisition outcomes, our September 2011 report noted that DOD needed to assess the skills and competencies of and training provided to those people outside what DOD has defined as the acquisition workforce.⁹ These people include those who may set requirements or serve as the contracting officer's representatives to help manage and oversee contractor performance—functions that are key to acquisition outcomes. GAO found that personnel with acquisition-related responsibilities represented more than half of the 430 personnel involved with 29 services acquisition contracts reviewed. In this report, we also noted that several organizations have been tracking and managing the acquisition workforce, but no DOD organization has (1) systematically identified personnel outside of what has been defined as the acquisition workforce and the related competencies, or (2) been given responsibility for the identification, development and oversight of this group. DOD is not required to identify personnel outside the acquisition workforce and has not established a process to do so. As DOD officials noted, identifying this population is challenging, in part because it is a transient one dispersed across many DOD organizations. Additionally, these people come from a variety of career fields and are often involved in acquisitions as a secondary duty. DOD has taken action to identify part of this population—such as requirements personnel for major weapon systems—but has not done this for all personnel with acquisition-related responsibilities outside the acquisition workforce. We also found that DOD has limited information to gauge the current and future demand for training this population or the effectiveness of the current training that is available. We recommended that DOD establish criteria for identifying these personnel, assess the critical skills needed to perform their roles in the acquisition process, and designate an organization that has the responsibility to track DOD's progress in identifying, developing, and overseeing personnel outside the defined acquisition workforce. DOD concurred with the recommendations.

Rebuilding DCMA's Capacity

The challenges DCMA is experiencing in rebuilding its capacity is illustrative of those faced by DOD. DCMA performs a critical role in helping to manage and oversee contractor performance. Specifically, it has responsibilities for providing contract administration services for DOD's buying activities and working directly with defense contractors to help ensure that goods and services are delivered on time, at projected

⁹ GAO-11-892.

cost, and meet performance requirements. In addition, as a designated combat support agency, DCMA is tasked with providing contract administration and support to combatant commanders during contingency operations. The preponderance of DCMA's workforce is included in the defined acquisition workforce.

In November 2011, we reported on how DCMA is positioning itself to meet its missions.¹⁰ We noted that DCMA has undergone an evolution to become the agency it is today. For example, DCMA's workforce decreased from an estimate of about 24,000 in 1990 to a low of about 9,300 in 2008. While senior DCMA officials said the workforce's downsizing made sense for much of the 1990s, because there were efficiencies to be gained and its workload was generally decreasing, this changed in the early 2000s, when DCMA's workload started to increase, but its workforce numbers continued to decline.¹¹ As the workforce declined, however, the agency experienced significant erosion of expertise, such that it could not fulfill all of its oversight functions.

Since 2008, DCMA has been rebuilding its workforce, and to do so, has made increasing use of the Defense Acquisition Workforce Development Fund. For example, in fiscal year 2011, DCMA reported it hired 1,221 new employees under this authority, a substantial increase from 166 hired in fiscal year 2009. These new employees include 3-year interns as well as journeymen, described by DCMA officials as individuals with extensive experience in a certain business area. Some contract management office leaders told us, however, they were not sure that they would have enough operations and maintenance-funded positions available to be able to retain the journeymen and interns they had originally hired using the Defense Acquisition Workforce Development Fund. DCMA leadership noted that the agency is requesting increased operations and maintenance funding to convert these positions in the future.

As noted earlier, building workforce skills and expertise is just as important as increasing the size of the acquisition workforce. Our November 2011 report noted that by the late 1990s, DCMA had lost the majority of its contract cost/price analysts, which, according to DCMA,

¹⁰ GAO-12-83.

¹¹ DCMA measures its workload in terms of obligations the government has incurred, but not yet paid, also known as unliquidated obligations.

meant many of its pricing-related contract administration responsibilities, such as negotiating forward pricing rate agreements and establishing final indirect cost rates and billing rates, were no longer performed to the same level of discipline and consistency as in prior years. As a result, DCMA reported that DOD's acquisitions were subjected to unacceptable levels of cost risks. In one recent example, a DCMA official told us about a case where an administrative contracting officer, lacking support from contract cost/price analysts had, for simplicity, incorrectly blended a contractor's overhead rates rather than deriving separate rates for different areas (e.g., general and administrative, and manufacturing).

Over the last 2 years, DCMA reports it has hired 279 new contract cost/price analysts and cost monitors (bringing the agency's total number to about 400), extensively using the Defense Acquisition Workforce Development Fund to do so. Further, in 2009, DCMA created the Cost and Pricing Center, with a mission of developing and sustaining the agency's expertise in pricing. DCMA officials said the center has helped to hire contract cost/price analysts for its contract management offices. It also develops and conducts training for the growing DCMA contract cost/price analyst workforce.

DCMA also identified ongoing concerns with its ability to effectively carry out its quality assurance responsibilities because of workforce size and capability shortfalls, increasing the risk to the warfighter and the taxpayers.¹² For example, DCMA reported an increase in customer complaints in the form of reported quality deficiencies in products. One action DCMA reports it is taking to address the issues related to its quality assurance capabilities is defining certification training for its quality assurance personnel. DCMA also reports it is moving toward standardizing position descriptions as a way to establish consistent expectations for its quality assurance workforce. DCMA has emphasized increasing the number of quality assurance personnel and estimates this will continue through 2016.

¹² Relatedly, in 2008, we found that DOD's quality specialists, including those at DCMA, had to scale back the amount of oversight they provided as a result of downsizing. GAO, *Best Practices: Increased Focus on Requirements and Oversight Needed to Improve DOD's Acquisition Environment and Weapon System Quality*, GAO-08-294 (Washington, D.C.: Feb. 1, 2008).

Even with DCMA's recent efforts to rebuild workforce capacity, the large percentage of retirement-eligible employees presents challenges. Over half of DCMA's workforce is retirement eligible or qualified for early retirement incentives. For example, as of the end of fiscal year 2010, about 24 percent of the DCMA workforce was eligible to retire, and an additional 28 percent qualified for early retirement incentives. The large number of retirement-eligible employees continues to make DCMA vulnerable to the loss of valuable technical expertise and organizational knowledge. In part, DCMA plans to mitigate this risk through aggressive recruiting and knowledge management activities, such as bringing back retired annuitants to help raise the skill levels of the newer employees.

Concluding Observations

In conclusion, Mr. Chairman, DOD has focused much-needed attention to rebuild its acquisition workforce and has made some progress in terms of growing the workforce, identifying the skills and competencies it needs, and using such information to help update its training curriculum. More needs to be done, however, especially for those individuals who do not fit within the traditional definition of DOD's acquisition workforce. The fiscal and budget challenges facing this nation and DOD underscore the need for DOD to strategically manage its workforce to ensure that they have the right skills, capabilities, and training to effectively acquire and manage the billions of dollars DOD spends on goods and services each year. These same fiscal and budget pressures may present DOD with additional challenges in meeting its acquisition workforce goals. Whether DOD achieves all of its previously planned growth and related workforce improvement initiatives remains uncertain, but what is certain is the department can ill-afford not to succeed in preparing its workforce to meet its future needs.

Chairman Lankford, Ranking Member Connolly, and members of the Subcommittee, this concludes my prepared statement. I would be happy to respond to any questions you may have at this time.

Contacts and Acknowledgment

For further information about this statement, please contact me at (202) 512-4841 or huttonj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this statement include Penny Berrier, Assistant Director; Timothy DiNapoli; Laura Holliday, Victoria Klepac; John Krump; and Janet McKelvey.

Mr. LANKFORD. Thank you, Mr. Hutton.
Mr. Jordan.

STATEMENT OF ROGER JORDAN

Mr. JORDAN. Chairman Lankford, Ranking Member Connolly and members of the subcommittee, thank you for the opportunity today to provide an industry perspective on the acquisition work force.

I will begin by highlighting why the Federal contracting community believes in the need for a highly skilled, well-trained and adequately staffed acquisition work force. Savvy businesses understand that the best customer is a well-informed, educated customer. As a business, when you have a client that accurately defines its needs, communicates openly and clearly and recognizes the fundamental elements of the risks being adopted by your company through the partnership, then you have a customer you can work with best to deliver real capabilities and enhancements to meet their mission needs.

But these important understandings are not always inherent. As the critical cog between government and the private sector, it is important that the acquisition work force contain the expertise, training, continuing education and commitment to collaboration that fosters successful interfaces with the private sector. The acquisition work force suffered as a result of numerous factors dating back to the mid-1990's and appropriately, this work force has garnered much-needed attention in recent years.

As a result, there are signs of improvement that considerable threats to the acquisition work force remain and industry has a number of observations and recommendations. First, the biggest challenge facing the acquisition work force is how the government will address pending budget reductions. As work force reductions related to the budget scenario continue to be debated, PSC recommends that Federal departments engage in thorough human capital planning based on evaluated mission needs. Inclusion of the acquisition work force should be a critical component of such planning, and as a result, PSC believes agencies will discover that the acquisition work force should not be slashed. This certainly has been the finding of DOD, and as a result, their efforts have exempted cuts to the acquisition work force.

Also, as budget pressures persist, Federal contracting will share in the burden. Savings may be achieved as government makes difficult decisions about what it is buying, but of greater significance will be decisions about how the government buys. For example, the administration has pushed for greater use of firm fixed price contracts. In conveying such guidance, the administration also acknowledged that the use of such contracts is only encouraged where suitable to the nature of the acquisition. However, the latter message has not effectively filtered down to the field, resulting in the use of firm fixed price contracts where inappropriate, and thus creating inordinate risk to contractors and high cost to government.

In addition, industry has witnessed a dramatic increase in the use of lowest price technically acceptable awards. While LPTA is an important component of the acquisition tool box, its misapplication can lead to reduced quality in mission capabilities for the Government, where a focus on value may have produced

greater benefits and long-term cost savings. To avoid misapplication of these approaches, PSC recommends training of the acquisition work force to foster critical thinking and strategic decisionmaking, rather than simply teaching strict adherence to procedures and avoiding any Government risk.

In addition, for more complex procurements, those involving cyber security, for example, the work force must be encouraged to avoid over-reliance on the cheapest proposals and instead, being encouraged and supported when they apply appropriate costs and technical tradeoffs, that is, best value considerations.

Communication and collaboration between the acquisition work force and the private sector also diminished in recent years. And in order to foster meaningful partnerships, such communication must not be permitted to deteriorate further. OFPP's initiation of a mythbusters campaign, part of OMB's broader 25 point IT management improvement plan, seeks to encourage and clarify how industry and government can appropriately engage with one another during the acquisition process. This is a positive development. Yet it is not readily apparent the message has been adopted by rank and file acquisition personnel. Hence, PSC recommends that OFPP take additional steps to buildupon the mythbusters campaign.

Additionally, PSC encourages the examination of individual department efforts to increase the capabilities of their acquisition work force. Gains have been made on this front as departments have established successful internship or training programs. DHS and VA are two examples.

PSC believes that Congress can take steps to enhance such initiatives. The Federal Acquisition Improvement Act, for example, would buildupon these initiatives by clarifying the role of FAI and governmentwide acquisition work force training and would increase FAI responsibilities to include collaboration among existing civilian agency acquisition work force training initiatives.

Last, I cannot stress strongly enough the importance of consistent funding for the various acquisition work force training initiatives. Comprehensive acquisition skills are not developed overnight. And the efforts that have been initiated in recent years are not likely to yield immediate results. Hence, it is important that funding, staffing levels and education and training for the acquisition work force remain a priority. As a result, we strongly believe that long-term savings associated with the investment in the acquisition work force will pay future dividends that far outweigh any short-term savings being touted as a result of acquisition work force cuts. And the Government will truly establish itself as the private sector's best customer.

This concludes my testimony. I would be happy to answer any questions.

[The prepared statement of Mr. Jordan follows:]

Chairman Lankford, Ranking Member Connolly, and members of the subcommittee, thank you for the opportunity to testify today. Thank you as well for holding this hearing highlighting the importance of the federal acquisition workforce and the challenges it faces today and in the future. I appreciate the opportunity to provide an industry perspective.

My name is Roger Jordan and I am the vice president of government relations at the Professional Services Council. PSC is the national trade association of the government professional and technical services industry. PSC's nearly 350 member companies represent small, medium, and large businesses that provide federal agencies with services of all kinds, including information technology, engineering, logistics, facilities management, operations and maintenance, consulting, international development, scientific, social, environmental services, and more. Roughly 60 percent of our members are small or small mid-tier firms. Together, the association's members employ hundreds of thousands of Americans in all 50 states.

To begin, it is important to define my reference to the acquisition workforce throughout this testimony. Too often the acquisition workforce is narrowly defined or perceived as being comprised solely of contracting and procurement employees. As a result, such a focus on and management of that workforce may be too narrow to address broader challenges or implement comprehensive solutions. In our view, however, the acquisition workforce must include all the requisite skills and functions that make up the total acquisition team, which includes contracting officers and procurement analysts as well as those identifying mission needs, program managers, cost and pricing specialists, contracting officer technical representatives, and personnel with life-cycle oversight responsibilities. Regrettably, only the Defense Department applies a definition that comes close to our definition and includes guidance about how to identify and manage an acquisition workforce. It is also important to recognize that federal acquisitions take place across the broad spectrum of the federal government. The Department of Defense, General Services Administration and the Department of Homeland Security generally are the focus of discussions about federal acquisitions and the acquisition workforce. However, policy-makers must be cognizant of the amount and type of contracting that is occurring within other federal departments and agencies, specifically the Departments of State, Energy, and Veterans Affairs, along with the Small Business Administration and USAID.

It has been well-documented and reported that the federal acquisition workforce atrophied as a result of significant downsizing in the late 1990s, and that the situation was exacerbated by significant growth in federal acquisition spending in recent years, particularly for services. When one considers the added complexity of acquisitions associated with the contingency, sustainment and development efforts in Iraq and Afghanistan, as well as the government's continually evolving missions and its growing need for more high-end, high-technology capabilities and solutions, it is clear that the challenges facing the acquisition community are changing significantly and growing rapidly. Services, for example, may require levels of quality throughout the life of the contract depending on a number of variables, including human effort, the level and clarity of detail within

the scope of work, and the customer's ability to effectively understand and leverage the services provided. Hence, management of services goes well beyond the question of whether the provider delivered a required quantity at a sufficient quality and price, as is typically used to evaluate the purchase of goods. The purchase of services requires diligent management to ensure that consistent value is being delivered and that the service provider and government fully understand the changing nature of the services to be delivered. Yet the resources and capacity to meet these new and daunting challenges are inadequate.

Although many recognize the problems associated with a diminished acquisition workforce, today's budget environment and the desire to reduce the overall size of the federal government pose a significant risk to the ongoing efforts to recapitalize the acquisition workforce. As the broader debate continues about cutting government programs and initiatives—essentially WHAT the government buys—of equal importance is the question of HOW the government buys what it needs to achieve mission success. Because the government must do everything possible to ensure that it is procuring goods and services in a manner that maximizes value, quality, innovation and efficiency, we must also recognize that the role of the acquisition workforce will become more central.

It is also important to understand why a high-performing federal acquisition workforce is a priority concern for industry. Simply put, from an industry perspective, the best customer is a well-informed, educated customer. Industry views its relationship with its federal customers as that of a business partner and not merely a vendor of goods and services. Thus, in order for that partnership to be successful, it is important that both sides understand the mission or final outcomes to be achieved. Additionally, it is essential that each side understand and appropriately share the risks associated with the business partnership.

To address the former, communication and collaboration among the various stakeholders within the government workforce and the private sector serve as the foundation. This means that government contracting personnel must fully understand the objectives and capabilities program managers seek and that program managers must comprehend the challenges contracting personnel face in establishing legal and business frameworks with industry. In addition, both the program and contracting personnel must be able to articulate to industry what their needs are and what identifiable risks exist. Furthermore, government personnel must understand the risks they are imposing on industry and how companies manage and adjust to such risks. Acquisition workforce education, training, and human capital planning are critical to ensuring the government understands these important dynamics—but it cannot be accomplished by government only talking to government.

In recent years, there has been a positive shift in the degree to which Congress and the agencies recognize the centrality of the acquisition workforce. The number of personnel serving in acquisition-related positions has steadily increased. Additionally, several departments have established acquisition workforce internship programs that are meeting with some success. The

DHS internship program is but one example. The Veterans Affairs Acquisition Academy in Frederick, Maryland also continues to receive high marks for its efforts to build the capacity of their acquisition workforce, as does the recently established Enterprise Program Management Office within the VA.

Another positive development is the focused IT acquisition workforce reforms included in the Office of Management and Budget's 25-point "Implementation Plan to Reform Federal Information Technology Management." Those reforms seek to develop specialized acquisition skills to enhance the agencies' ability to design and purchase IT investments and identify and promote best practices being used by specialized IT acquisition teams across government. This initiative also recognizes the differences between purchasing services and products.

Additionally, OFPP launched an important "Myth-Busters" campaign seeking to encourage and clarify how industry and government can appropriately engage with one another during the acquisition process. The "Myth-Busters" campaign is strongly supported by the private sector because in recent years we have witnessed a dramatic reduction in communications and collaboration with government customers. Greater collaboration between the Federal Acquisition Institute and the Defense Acquisition University is also helping to provide consistent, government-wide training and education to the acquisition workforce.

Opportunities also exist for Congress to build upon positive developments on the acquisition workforce front. The Federal Acquisition Improvement Act of 2011 (H.R. 1424), for example, would be helpful in clarifying the role of the Federal Acquisition Institute in government-wide acquisition workforce training. The bill reiterates original congressional intent that FAI be a valuable resource to all federal civilian agencies. Furthermore, the provisions in the bill that would increase FAI responsibilities to include collaboration among existing civilian agency acquisition workforce training initiatives, increase FAI assistance with acquisition workforce human capital planning, and establish consistency within civilian agency acquisition workforce intern programs have the potential to enhance training across the government. PSC supports these key provisions and the codification of the FAI Board of Directors and its responsibilities. The Senate Homeland Security and Governmental Affairs Committee favorably reported its companion version of the legislation (S. 762) without amendment on June 9, 2011 and we were pleased that the House-passed version of the FY 2012 National Defense Authorization Act (H.R. 1540), as amended, included similar language.

Today, the acquisition workforce faces a number of threats. As I pointed out at the beginning of my testimony, the biggest challenge facing the acquisition workforce, and the government at-large, is how to address the budget reductions without having a detrimental effect on the acquisition workforce or on agency priority missions. Congressional and executive branch proposals to downsize the federal government have included broad hiring restrictions and pay freezes for federal employees. PSC is no more supportive of these proposed arbitrary cuts than it is of arbitrary cuts to federal contracting. Rather than mandate arbitrary workforce cuts, the

government should require federal agencies to closely examine their mission needs and cut unneeded programs. After mission needs have been established, agencies should be required to engage in rigorous human capital planning and multi-sector workforce assessments to determine where workforce cuts and reductions in contract spending are logical and consistent with those mission requirements and workforce capabilities. However, agency leaders should provide clear guidance that cuts to the acquisition workforce should be avoided to the maximum extent practicable. Such guidance is not unprecedented, as the Department of Defense has already largely exempted its acquisition workforce from being included in their current workforce reduction plans.

Regardless of looming threats to the number of acquisition workforce personnel, it is also important to recognize that contracting officers and specialists are being asked to do more. The workload is constantly increasing for contracting officials to provide, monitor and assess contractor past performance information, provide a justification for choosing certain contract types, inject environmental sustainability requirements into the contracting process, require more frequent competitions or recompetitions for contracts where there is a perceived lack of competition, or assess contractor compliance with a variety of non-acquisition regulations—none of which are necessarily misguided requirements by themselves, but each of which diverts focus away from acquiring goods and services.

Also adding to the workload of contracting personnel is the increasing pressure to achieve cost savings through contracting. This is where the focus on not WHAT the government buys but HOW it buys is of critical importance. Certainly, efficiencies and savings in contracting are an appropriate focal point. But policy makers must be cognizant of the effects of their decisions on the acquisition workforce. For example, the administration has pushed for greater use of firm-fixed-price contracts in lieu of cost-reimbursement-type contracts. In conveying such guidance, the administration has also acknowledged that the use of firm-fixed-price contracts is only encouraged “where suitable to the nature of the acquisition.” However, industry’s experience has been that the latter message has not filtered down to the field and that contracting officers, believing they are following current policy guidance, continue to use firm-fixed-price contracts even where it is unsuitable to do so. Further, even when using firm-fixed-price contracts, the workforce, again believing it is following leadership’s direction, is managing those contracts the same way that they would manage cost-type awards. That is illogical of course—since it leads an already under-resourced workforce to over-manage fixed-price contracts at the expense of having more time to appropriately manage higher risk/higher complexity cost-type awards. This practice also imbalances the very point of fixed-price awards. For a given price—the fairness of which should be established in advance through competition, market research and myriad other tools—a company commits to providing a given service or product. In making that commitment, the company is assuming all of the risk of performance in return for the appropriate rewards. When the government attempts to inject itself after the fact and challenges individual cost elements, hours worked or margins achieved, it imbalances the business relationship. All of the acquisition

leaders we have spoken to agree that this is an illogical dynamic; but no additional training or guidance to the workforce has been forthcoming and the practice is becoming more the routine than an exception.

In addition, as cost pressures increase, industry has witnessed a dramatic increase in Lowest Price Technically Acceptable (LPTA) awards. While LPTA is an important component in the acquisition tool box, its misapplication can lead to reduced quality and reduced mission capabilities for the government where a stronger focus on value may have produced greater benefits and long-term cost savings to the government. Likewise, when companies are not incentivized to offer or be rewarded for developing key capability discriminators, when the competition is about being adequate and cheap rather than high quality and high value, it becomes increasingly difficult, if not impossible, for companies to invest in research and development, workforce development and/or continuous training.

Again, the guidance from leadership is not wrong but, in the absence of further training, it is being misinterpreted in the field as a mandate to always use one type of contract over another or one form of evaluation over another. This has led to a “check the box” approach to contracting, rather than facilitating an environment where acquisition personnel are provided latitude to engage in critical thinking and to secure innovative solutions when partnering with industry. Enhanced education and training is critical to enabling the acquisition workforce to meet that important objective. Such training also empowers them to be confident in the decisions they are making and warrants them the flexibility afforded to them by department leaders.

Training alone is not enough. It is sometimes said that no one got in trouble for spending too little money. But in the federal marketplace, we know that such spending decisions have consequences. Understanding how to achieve real value and innovation, how to adopt appropriate business risk models, and how best to incentivize and reward high quality performance and capability is a challenge not only for the acquisition community but also for the ever-growing oversight community. All too often contracting officers report using a logical and carefully thought out best value approach to a procurement only to have an auditor, an inspector general, GAO, a congressional committee, or a self-styled watchdog organization pillory them for overspending without having any real understanding or knowledge of the requirement or the situation when the procurement was made, the benefits of the approach selected, or the very real and relevant capabilities involved. In short, we not only need to provide more resources to our acquisition community, we also need to provide more resources and training to those whose job it is to provide the important checks and balances. If they and the acquisition community do not have a common understanding of the acquisition environment, the checks and balances will always be out of alignment with the decision-making process to the detriment of the contracting officials and their organizations—and that serves no one’s interest.

As mentioned earlier, efforts by OFPP to enhance collaboration between industry and government acquisition personnel have been welcome. However, it remains clear that the message to improve

communication has yet to permeate throughout the workforce. Many companies continue to report a complete unwillingness of government personnel to meet with industry to discuss department or agency goals and acquisition plans. The administrator of Federal Procurement Policy has openly discussed his concern about the resistance of the acquisition workforce to communicating with industry. At the same time, in the commercial world, one mark of excellence is the degree to which both the buyer and the seller appropriately communicate and partner with each other to achieve the best and most responsive solutions. As such, we not only encourage OFPP to continue to press forward with its "Myth-Busters" campaign, but we encourage Congress to do the same.

Lastly, I cannot stress strongly enough the importance of consistent funding for the various acquisition workforce training initiatives. The various skills needed throughout the acquisition workforce are not developed overnight and the efforts that have been initiated in recent years are not likely to yield immediate results. Hence, it is important that funding, staffing levels, education and training for the acquisition workforce remain a priority. We recognize that the budget environment, being what it is, is a real and persistent threat, but we strongly believe that the long-term savings associated with a meaningful investment in the acquisition workforce will pay future dividends that far outweigh any short term savings associated with cutting such investment. A government-wide approach is also critical, especially considering contracting workloads that are shifting as a result of troop draw-downs in Iraq and Afghanistan that will leave the Department of State and USAID with significant new contracting and contract oversight responsibilities.

In closing, I would like to highlight a few recommendations. First, federal departments and agencies should be encouraged to engage in thorough human capital planning based on mission needs, not arbitrary workforce cuts. Where possible, such cuts should avoid the acquisition workforce based on the increasing demand for capability and capacity in these fields, but wherever made, cuts should be done on a strategic and focused basis rather than arbitrarily and across-the-board. Second, government training and education of the acquisition workforce should foster critical thinking and strategic decision-making rather than simply teaching strict adherence to procedures and avoiding any government risk. This means embracing contracting officers' decisions based on their professional judgment to use the most appropriate contract type for the specific procurement involved, whether it be firm-fixed-price or cost reimbursement or another contract type. Similarly, particularly for more complex procurements, the workforce must be encouraged to avoid buying adequate and cheap and instead be encouraged and supported when they apply appropriate cost and technical trade-offs. Third, efforts to educate the acquisition workforce about complex services acquisitions, whether for information technology or cybersecurity, should be embraced, appropriately funded and rapidly deployed. Finally, ongoing efforts to reinvigorate collaboration and communication between government and industry, and additionally between government procurement and program management personnel, should continue to be encouraged.

Thank you again for the opportunity to testify today and for your attention to the acquisition workforce and its effect on industry. I look forward to answering your questions.

Mr. LANKFORD. Thank you, Mr. Jordan.
Ms. Jenkins.

STATEMENT OF DONNA JENKINS

Ms. JENKINS. Good afternoon, Chairman Lankford, Ranking Member Connolly, members of the committee. As you are aware, I am Donna Jenkins, the Director of the Federal Acquisition Institute. I am pleased to be here today to tell you about the progress FAI has made over the last 8 months since I have assumed the position.

Taxpayers rely on the work force to make critical business decisions. They impact the lives of every American, from protecting the homeland to supporting the small businesses that fuel our economy. This demands an agile work force, with diverse and sophisticated sets of skills to define requirements, make complicated trade-off decisions among competing alternative and manage complex projects with tight budget and schedule constraints.

Agencies have shifted from buying products requiring a process-based procurement approach to ensure the right product is delivered on time to now an acquisition of complex services and technologies, the success of which depends on a knowledge-based life cycle management approach. Our professionals must navigate an evolving commercial marketplace driven by rapid advances in technology, global supply chains and emerging security concerns. Keeping the work force's skills is imperative to our success.

Improvements have been realized but we still face three fundamental challenges. The first, as mentioned by everybody else, is the demographics of the acquisition work force. We do have a younger, more educated work force, but they still require the necessary technical training to be successful. We also need to ensure that the seasoned half of the work force, expected to retire over the next 10 years, transfers their knowledge to the new and less experienced members.

The second challenge is to make smart investments that result in shared work force management tools and use technology to eliminate inefficient duplication across the government. The third challenge is to continue to improve collaboration across the acquisition community. We can no longer afford for each agency to solve its own human capital challenges. We need to collectively develop tools, training and share leading practices to improve standardization, reduce redundancy and cost and cultivate a mobile work force.

FAI has been working with key stakeholders and collaborating on these challenges. We are partnering with OFPP and the Office of Personnel Management to establish the first ever acquisition track in the Presidential Management Fellows Program for fiscal year 2012. We are reaching a broader base of acquisition professionals and have added new training on critical topics such as price analysis and human trafficking.

For the first time, FAI is training program managers and contracting officer's representatives, positions critical to responsibly defining the government's requirement and managing the contracts after award. We are investing in technology that pays off. This month, FAI trained 5,600 acquisition work force members in a sin-

gle session through an online Webinar. Class enrollment for FAI-sponsored courses increased by 30 percent in fiscal year 2011.

FAI is using a risk-based approach to improve the certification programs. Now, the highest level of certification for the contracting officer's representative combines additional training and experience requirements to optimize the taxpayers' return on investment. In partnership with the Department of Homeland Security, FAI has launched the Federal Acquisition Institute Training Application System, or FAITAS. It is a robust work force management tool. FAITAS will eliminate the need for stand alone, stovepiped systems across government by providing agencies with a way to manage their work force, certifications, warrants and training delivery programs. Soon, agencies will be able to use the system's business intelligence tools to analyze the demographics of the work force, supporting more effective human capital planning.

FAI has also worked to re-energize its many interagency committees which helps shapes the initiatives, program and training, so that the government only has to invest in these items only once.

In conclusion, with the support and leadership of GSA and OFPP, FAI has delivered innovative solutions which demonstrate the value of cross-agency collaboration.

I appreciate the committee's attention to this critical issue, and Ranking Member Connolly's proposed legislation that would support smart investments in the acquisition work force.

Thank you for the opportunity to be here today and I am happy to answer any questions.

[The prepared statement of Ms. Jenkins follows:]

STATEMENT OF
DONNA M JENKINS
DIRECTOR
FEDERAL ACQUISITION INSTITUTE
U.S. GENERAL SERVICES ADMINISTRATION
BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND PROCUREMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

November 16, 2011

Good Afternoon, Chairman Lankford, Ranking Member Connolly, and members of the Committee. I'm Donna Jenkins, Director, of the Federal Acquisition Institute (FAI) which was established to facilitate career development and strategic human capital management in support of a professional federal acquisition workforce. I was appointed in February 2011, and upon assuming this role had 15 years of acquisition experience with, and the last six focused on, career management. I welcome this opportunity to appear before you today to discuss how FAI is working collaboratively to address the human capital challenges of the civilian agencies' acquisition workforce.

Taxpayers rely on the acquisition workforce to make critical business decisions that impact the lives of every American; from protecting the homeland to supporting the small businesses that fuel our economy. A skilled acquisition workforce is more critical than ever to deliver fiscally sound and innovative solutions from responsible contractors. This demands an agile workforce with a sophisticated and diverse set of skills to define requirements, make complicated trade-off decisions among competing alternatives, and manage projects within tight budget and schedule constraints.

While procurement spending more than doubled between 2000 and 2008, equally significant is the increasing complexity of what agencies buy to support their missions. Agencies have shifted from buying commodities, requiring a process-based procurement approach to the acquisition of complex services and technology, the success of which depends on a knowledge and accountability-based acquisition management approach. Our professionals must navigate an evolving commercial marketplace driven by rapid advances in technology, global supply chains, and emerging security concerns. Keeping the workforce's skills refreshed is key to our success.

Significant improvements have been made in the training and management of the acquisition workforce to meet these demands, but we still face three fundamental challenges:

1. The demographics of the acquisition workforce;
2. The availability of effective and shared workforce management tools and technologies; and
3. The need for improved collaboration across the acquisition community.

Although the retirement rate of contracting professionals slowed from 7% in 2009 to 4.7% in 2010, retirement eligibility within the next ten years remains almost constant at just under 50% of the workforce. However, the 11.7% growth in the contracting workforce in 2010 to a total of 35,048 members helps alleviate some of the immediate concerns related to our aging workforce. More importantly, the legislation requiring a college education and our recruitment efforts at colleges and universities is paying off. The number of college graduates in the contracting career field has increased from 59% in 2000 to an all-time high of 80% in 2010. However, even a more educated entry-level contracting workforce needs acquisition training and realigning skills to keep pace with the dynamics of the commercial marketplace.

While information on the contracting workforce has been collected since 1978, information collection and analysis for Contracting Officer's Representatives (CORs) and Project and Program Managers are relatively recent. FAI relies on agencies' annual Acquisition Human Capital Plans for this data. In FY-10, agencies reported a total of 47,959 CORs and 13,893 Project and Program Managers.

Civilian agencies have employed a variety of approaches to collect and analyze data on their acquisition workforce – not without struggle and with varying degrees of success. The absence of centralized tools and processes has resulted in a less than effective ability to collectively understand and manage the civilian acquisition workforce.

Just as agencies used a variety of processes to collect and analyze data on their acquisition workforce, they have also individually funded agency-unique training delivery and development programs. In many cases this has limited standardization, been costly and redundant, and stymied the ability to share leading practices across the workforce.

FAI's strategic focus on improving the workforce through shared use of resources and technology, positions it to lead the civilian workforce in meeting its challenges in this time of budgetary constraint.

Since assuming the role of Director eight months ago, I have focused the efforts of FAI on investing in and managing the workforce and improving communication and collaboration across the federal space.

Investing in the Workforce

- Recruitment efforts:

FAI is partnering with the Office of Federal Procurement Policy (OFPP), the Chief Acquisition Officers Council (CAOC), and the Office of Personnel Management (OPM) to establish an acquisition track in the Presidential Management Fellows (PMF) program. In FY-12, FAI will establish a cohort style acquisition cadre of 24 PMF interns. FAI will provide acquisition certification training to level II, and other acquisition specific learning opportunities in addition to the PMF program training. This will foster collaboration and increased sharing of leading practices across federal agencies as members of the cohort participate in a 6-month rotational assignment outside of their host agency. In addition, it is reasonable to expect that incorporation of an acquisition track in such a prestigious program will drive colleges and universities to promote acquisition as part of their curriculum.

- Classroom Training:

In FY-12, FAI is providing training opportunities to reach more members of the acquisition workforce. Between FY-11 and FY-12, FAI more than tripled the number of locations offering classroom training nationwide, from 4 to 13 locations. For the first time, FAI is offering a curriculum-based program for Project and Program Management and COR training. In addition, FAI, through registration system improvements and process enhancements, has improved its course fill rate resulting in an average of over 94% capacity for the last six months of FY-11.

- On-Line Training:

From FY-10 through the first quarter of FY-12, FAI developed ten new and improved training modules in critical topic areas such as: Shaping Smart Business Arrangements, Buy American Act, Green Purchasing, Federal Awardee Performance and Integrity Information System (FAPIIS), Price Analysis, Combating Human Trafficking, and Preparing an Independent Government Cost Estimate.

Additionally, class enrollment for FAI sponsored online courses increased by 30%. In FY-10, civilian agency workforce members completed 2,249 courses and in FY-11 this number increased to 3,172. DoD students also completed over 5,100 FAI on-line modules in FY-11. Benefiting from the Defense Acquisition University (DAU)/FAI partnership, civilian agency workforce members completed nearly 87,000 DAU sponsored on-line courses.

- Training Satisfaction Survey Methods:

In the 4th quarter of FY-12, FAI will eliminate use of vendor managed, paper-based course surveys, and launch a standardized, cost-effective on-line survey form to provide immediate feedback after completion of both classroom and online courses. This will improve FAI's ability to conduct comparative analyses of the quality of training, student materials, instructors, and locations to better serve the workforce.

- Certification Programs:

We have established a repeatable methodology to map skills to agency missions so that professional certification programs reflect agency needs. The COR certification program was the first to be retooled. The COR plays a key role in ensuring program objectives are met through government contracts and is the front line in overseeing contractor performance. Effective January 2012, the new professional certification program for CORs combines additional training and experience requirements for the highest level of certification, ensuring training dollars are allocated using a risk-based approach that optimizes the government's return on investment.

Managing the Workforce

- The Federal Acquisition Training Application System (FAITAS):

In partnership with the Department of Homeland Security (DHS), FAI has launched a comprehensive and robust workforce management system. The Federal Acquisition Training Application System (FAITAS) will eliminate duplicative systems across government and advance our ability to effectively manage the acquisition workforce. With its recent launch, FAITAS has already produced impressive results. Replacing four outdated and burdensome systems, FAITAS allowed FAI to cancel a \$28 million solicitation and will save an estimated \$1 million annually in operations and maintenance costs. More than 48,000 users have registered in FAITAS since its launch in May, which exceeds the number registered in the predecessor system after more than a decade of use.

FAITAS will provide agencies with the capability to centrally manage their workforce, certification, warrant, and training programs eliminating the need for duplicative systems across the government. By FY-13, agencies will use the system's business intelligence tools to analyze the demographics of their workforce, supporting more effective human capital planning. FAITAS will also serve as a platform for government-wide comparative analysis and oversight of the acquisition workforce and its management.

- Webinar Technology:

FAI invested in web-based technology to cost effectively expand training opportunities beyond the classroom. On November 4th, 2011 FAI and OFPP sponsored a webinar for the COR community. The event hosted speakers from FAI, DAU, DHS, National Aeronautics and Space Administration, and Health and Human Services. FAI reached over 5,600 workforce members world-wide in one session.

Improving Collaboration and Communication

FAI has worked with OFPP to re-energize the FAI Board of Directors ("Board"). With a quarterly meeting schedule, and an approved governance structure, the Board is empowered to guide FAI in meeting its statutory responsibilities to meet the needs of the federal acquisition workforce.

FAI chartered interagency working groups to promote two-way communication, guaranteeing FAI remains stakeholder focused. The new format for the Acquisition Career Managers Council fosters the sharing of leading practices in human capital planning and management across the civilian agencies. The Functional Advisory Boards (FABs) shape the certification and training programs for Contracting Officers, Program Managers and Contracting Officer's Representative.

Lastly, The Chief Acquisition Officers Council (CAOC) recently approved FAI to establish the interagency Training Consortium Board, to pool resources and collectively develop acquisition training. To validate the benefits of this type of collaboration, FAI is developing the Contracting Officer's Representative Level I Certification course, which will be available in January. This effort ensures the government invests only once in the fundamental training, while affording agencies the flexibility to add modules to meet unique mission needs. Such collaborative efforts will not only save time and money, but will promote consistency in training quality and a more mobile workforce.

Conclusion

With the support and leadership of GSA and OFPP, FAI has delivered innovative solutions, which demonstrate the value of cross-agency collaboration. I appreciate the Committee's attention to this critical issue and the proposals that would support smart investments in the acquisition workforce. Thank you for the opportunity to appear before your Committee. I'm happy to answer any questions you may have.

Mr. LANKFORD. Thank you.
Ms. McFarland.

STATEMENT OF KATRINA G. McFARLAND

Ms. MCFARLAND. Chairman Lankford, Ranking Member Connolly, distinguished members of the committee, my name is Katrina McFarland, and I am the president of the Defense Acquisition University. I am really thankful for this opportunity to testify and I also appreciate your support to this very critical area. And also to the panel members, because they are right on target.

So my testimony will be brief and focused strictly on what the Defense Acquisition University has seen and has developed on.

The best way to ensure our warfighters get what they need and that our taxpayers get their money's worth and that we combat fraud, waste and abuse, is a well-trained and fully qualified acquisition work force. The defense acquisition work force is comprised of individuals from a broad spectrum of technical expertise, program and business skills and institutional memory. The work force is approximately 150,000 strong, the standing army of the Potomac, and it spans 15 career fields, program Management, systems engineering, logistics, contracting.

With the draw-down in the 1990's as referenced, we left our acquisition work force and organizations in a significant reduction in capacity and capability, especially in critical areas like contracting, auditing, pricing, engineering. Still with us, this "bathtub effect" as has been discussed means that many people are leaving us with that critical expertise and leaving behind less experience.

In the 1991 Defense Acquisition Workforce Improvement Act, DAWIA, DOD established a statutorily mandated career Development program for people who are formally identified in the Acquisition work force. This certification program consists of three pieces: education, experience and training. DAU provides the training piece of this program, which has grown through our 40 years of experience serving the acquisition community.

DOD began a rebuild of its defense acquisition work force in approximately April 2009. With the help of the Defense Acquisition Workforce Development Fund, DAWDF, established by Congress in the fiscal year 2008 NDAA, we increased our work force capacity and began addressing our work force capacity concerns. But while work force size is important and skill mix is important, quality is paramount.

Today we offer about 100 courses, both classroom and online. Entry level training is predominantly provided online as is continuous learning.

We have a lot of online training that is self-paced. It provides knowledge management, communities of practice and is open to the public. Our IT infrastructure is critical in our ability to reach that work force 24/7 around the world.

As a result of the funds from DAWDF, in addition to being able to expand our Web-based learning, DAU has been able to hire additional faculty and additional infrastructure for training and classrooms for what is our advanced defense acquisition training. Our faculty provide, in addition to training in classroom, consulting, targeted training, rapid deployment training and all of this to the

acquisition organizations throughout the department and at call. A combined total of our Web and faculty service is tallied this year at 11 million learning hours.

We stay responsive to current DOD concerns. In addition to having recognized that Services are a larger part of what our spend is, we have recognized the need to provide our work force services acquisition training, we have developed a services acquisition model online. We have developed automated services requirements developments tool, so that you stress on what is important on what you want before you issue forth a solicitation, and deliver Services acquisition workshops across the department.

We have worked this past year with the DOD inspector general's office and the defense and Services audit agencies to identify acquisition training requirements for the auditor community and have signed an agreement to that. We have also signed a memorandum with the Defense Contract Management Agency, Charlie Williams, to establish a new DAU college, the College of Contract Management, for onsite management of major weapons systems, contract and in-theater contract operations.

We are increasing our training for these DOD employees that are not included in the statutorily mandated defense acquisition work force, but whose role is critical for their successful acquisition outcomes to be had. For example, in response to the 2007 NDAA, we now train those DOD employees responsible for generating requirements for major defense acquisition programs. We have also increased training for deployed contracting officers and contracting officer representatives.

We are not alone in our training role. As you see beside us, we cooperate in training initiative with the Federal Acquisition Institute, the VA Academy, NASA, Department of Homeland Security, many others. We are currently working to achieve efficiencies in that area by sharing our curriculum, our IT infrastructure, governance, facilities in some cases, and a great number of cross agency recognition of work force credentials so our work force can be transitory. Our contracting courses are a great example of this. Specifically tailored for the civilian use, a process that we are expanding.

Because DAU is a provider of practitioner training, what we teach particularly in classrooms is focused on what our people need to do on their jobs. With that, and the fact that we have trained and grown over the 40 years in our own learning, we have expanded and taken a look at how we can improve what we do and how we teach. We are engineering right now our next steps to develop a qualified acquisition professional. The department's most recent effort toward a fully qualified acquisition work force is this qualification initiative. Our goal is to have a work force which is both certified, which is formal classroom and the associated sundry testing that comes with it, but also to take it into the workplace environment and qualify those folks on the job to effectively perform their duties as acquisition professionals.

We will ensure that the work force both understands the job when they leave the classroom and also can effectively perform it successfully. This qualification initiative, I might add, responds to a statutory mandate, Section 1723(c) of the Title 10 U.S.C.

Acquisition is inherently a responsibility of the government. And successful acquisition outcomes are critical to our national security. We must increase our buying power and deliver efficiently and affordably, and responsible stewards, to do the taxpayers' resources the justice it deserves. We must always ensure that our warfighters have products and Services they need to win. To do this, we need a fully qualified acquisition work force. The Honorable Frank Kendall has said, "Our legacy is to leave behind a stronger work force, a more capable work force than we inherited." I promise you, we will do that.

And I thank you for this opportunity again, and welcome your questions.

[The prepared statement of Ms. McFarland follows:]

WRITTEN STATEMENT OF MRS. KATHARINA G. MCFARLAND

PRESIDENT, DEFENSE ACQUISITION UNIVERSITY
OFFICE OF THE UNDER SECRETARY OF DEFENSE
ACQUISITION, TECHNOLOGY AND LOGISTICS
DEPARTMENT OF DEFENSE

before the

HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

on

THE FRONTLINES IN THE ACQUISITION WORKFORCE'S BATTLE AGAINST TAXPAYER WASTE

November 16, 2011 Hearing

Chairman Lankford, Ranking Member Connolly and Members of the committee: My name is Katharina McFarland. I am the President of the Defense Acquisition University and directly responsible to the Honorable Frank Kendall, Undersecretary of Defense for Acquisition, Technology and Logistics, for providing training and job support programs for the Defense Acquisition Workforce. Thank you for the invitation to appear before you today. I am pleased to be here with other key government leaders: Dan Gordon, Administrator for Federal Procurement Policy, and Donna Jenkins, Director of the Federal Acquisition Institute. DAU and FAI have a long history of working together in support of one another's missions and our respective acquisition workforces.

We are in challenging times, and the times are not forecasted to be less so in the near future. As we draw down in Iraq and look ahead to doing the same in Afghanistan, the threat is not going away to the degree it did after the end of previous conflicts. The threat of terrorism remains. And in addition, new powers are rising like China and India. The world is becoming

more unpredictable, more volatile, and more dangerous. DoD must continue to equip the warfighters— DoD must recapitalize and modernize its force structure and continue to sustain the warfighters in theater. Secretary Panetta has been adamant that there will be no hollow force on his watch. Adding to the challenge, we have to do this in an austere fiscal environment, and this is where a professional acquisition workforce becomes vital.

What do I mean by a professional acquisition workforce? It is one that is trained, educated, and experienced, with a strong ethic in how they do their job. Whether they are responsible for procurement, acquisition, technology development, product support, or logistics, they must not only be able to perform the functions required of the job, they also must be able to think critically, make the necessary trade-offs, and maintain the discipline to stay within cost.

The Defense Acquisition Workforce exists to support the nation's security objectives and to ensure sound business deals are made for the benefit of the warfighter and American taxpayer. This workforce is comprised of individuals with a broad spectrum of technical expertise, program and business skills, and institutional memory.

With the drawdown in the 1990s following the end of the Cold War, the workforce in acquisition organizations saw a significant reduction in capacity and capability. For the last 10 years, many in this workforce have been focused on supporting our contingency operations as our nation engaged in two wars. Still with us is a 'bathtub effect' showing many in the workforce nearing retirement, with fewer people behind them having less experience in fundamental acquisition skills.

In 2006, the Department established an initiative to upgrade our workforce analysis capability so that the senior leadership team could better evaluate the acquisition workforce and understand our needs. Over the last five years, we have improved our models and analytical capabilities and developed workforce strategies to ensure we are investing in the correct government acquisition workforce. But, it isn't all about the numbers; there also must be the right mix of skill sets in the workforce.

The Department began efforts to rebuild the government defense acquisition workforce in April 2009. With help from the Defense Acquisition Workforce Development Fund established by Congress in the FY 2008 National Defense Authorization Act, we have increased our workforce capacity by establishing and filling a significant number of positions and restored essential capabilities. This growth has been successfully targeted toward strengthening key areas such as systems engineering, test and evaluation, program management, contracting, cost estimating, contract pricing, and auditing. We are not finished yet. As Winston Churchill said, "Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning." We are getting better data and our analysis is ongoing. We are learning where we have need for further improvement—in numbers, in skill mix, and in training and qualification. While workforce size is important and the skill mix is important, let us not forget—quality is paramount.

DoD has a statutorily mandated career-development program for people who are formally identified to be in the acquisition workforce. The certification program, a result of the FY1991 Defense Acquisition Workforce Improvement Act, known as DAWIA, consists of education, experience, and training requirements at three levels as a person advances through

his or her career. DAU provides the training piece of this program. Our mission is to provide a global learning environment to support a mission-ready Defense acquisition workforce that develops, delivers, and sustains effective and affordable warfighting capabilities. We are accredited by the Council on Occupational Education. We have five regional campuses located in areas of high concentrations of acquisition personnel. This regional focus minimizes travel expenses related to training and provides quick and easy access to our highly-skilled practitioner faculty members for acquisition organizations in need of assistance. We offer more than 100 courses in 15 career fields, including program management, contracting, financial management, cost estimating, systems engineering, and test and evaluation. As a result of funds received from the Defense Acquisition Workforce Development Fund, DAU hired additional faculty and added infrastructure to increase classroom throughput from 36,630 in FY 2008 to 56,699 in FY 2011. And, we are continuing to work with the Ft. Belvoir Garrison Commander to obtain additional classroom space to meet the needs. DAU also provides career-long job support to workforce members and their organizations through consulting services during major program transition points, training tailored to an organization's specific needs, rapid deployment training on new initiatives and policies, online continuous learning modules, and a variety of online knowledge sharing resources and special interest communities of practice.

In FY 11 we graduated 208,130 from our certification courses and had 474,893 completions of our continuous learning modules. In addition to the more than 7 million hours of certification instruction, we provided the workforce with almost 3.5 million hours of online

continuous learning and knowledge sharing support. Our faculty also provided consulting, targeted training, and rapid deployment training to acquisition organizations.

DAU stays connected to Senior DoD leadership to ensure that all of these learning products and services are relevant and responsive to current DoD acquisition priorities. For instance, the contracting career field has been a special focus at DAU over the past couple of years. In FY10, at the request of the Contracting Functional Leader, DAU developed CON 090, Federal Acquisition Regulation (FAR) Fundamentals, which all new contracting specialists now take. CON 090 is a four week, classroom, foundational course that provides a total immersion into the FAR and the Defense Federal Acquisition Regulation Supplement (DFARS) and DoD's Procedures Guidance and Information (PGI) manual. CON 090 is the boot camp for entry level contracting personnel. No other contracting courses provide this in-depth coverage of contracting fundamentals. The course prepares the 21st century acquisition workforce to operate successfully in a web-enabled environment. It's tough. CON 090 is the most comprehensive Level 1 contracting course produced in the past 20 years. Students have to understand government contracting, know how to make decisions, and show how their choices are based on law and regulation. A few months into implementation, we are getting very positive feedback; students essentially jump start their careers and often perform like seasoned professionals. CON 090 is an investment in training that is well worth it. In FY 11, we re-engineered the entire Contracting curriculum. This included updating content and developing 6 new courses across all three certification levels. We also created two new online continuous learning modules.

Most recently, we have deployed numerous learning products and services in response to the Undersecretary of Defense's Better Buying Power Initiatives. We have incorporated Better Buying Power into our classroom and online curriculum. We stood-up an online Better Buying Power gateway to all guidance, documentation, and job performance tools related to this critical initiative. We are also delivering rapid deployment training programs on the implementing Directive Type Memorandums and providing on-the-job assistance on critical topics such as Fixed Price Incentive contracts.

We receive many requests for on-the-job assistance. For example, the United States Air Force Space and Missile Center (SMC) requested a Targeted Training Workshop on FPI contracts for its contracting personnel. DAU helped create a comprehensive training product that will give SMC and other workforce colleagues a deeper understanding of the mechanics and applicability of FPI contracts. By appropriately using FPI contracts SMC will be able to get a better deal and fill their needs.

As necessary and vital as the career certification training program is, and as useful as our other learning resources are, they are not sufficient in these difficult times. The challenges we face today require that everyone who touches acquisition in a meaningful way be fully qualified to do so. That means everyone from the operator who formulates a requirement statement for a program or for a contract, to the scientist or soldier who oversees a contractor and makes sure the government gets what it pays for— in the homeland or in theater, to the acquisition professionals themselves. The FY2007 National Defense Authorization Act required a training program to certify DoD military and civilian personnel with the responsibility for generating requirements for major defense acquisition programs. DAU developed four certification courses

and three Continuous Learning Modules to support certification of requirements personnel. In FY 11, we worked with the DoD Inspector General's Office, and Defense and Service Audit Agencies to identify acquisition training requirements for the auditor community. We also signed a memorandum of agreement with the Defense Contract Management Agency to establish a new DAU college, the College of Contract Management. This partnership will provide accredited and improved training for the development of the DCMA workforce and will leverage DCMA and DAU learning assets to train the Defense Acquisition workforce on contract management requirements. Additionally, we cooperate on training initiatives with the Federal Acquisition Institute, VA Academy, NASA, and the Department of Homeland Security. However, the civilian government agencies do not execute in accordance with DoD 5000 and the Defense Federal Acquisition Regulations Supplement.

We have increased the training we already provided for deployed contracting officers and contracting officer representatives (CORs). We developed and deployed several specific classroom and online courses to ensure the availability and competency of the contingency workforce. The content and learning objectives of these courses were determined in conjunction with and approved by the DoD contracting integrated product team in the office of the Undersecretary of Defense for Acquisition, Technology and Logistics. Two separate training programs have been developed for the contingency workforce: one for contingency contracting officers (CCOs) and one for contingency CORs. CCOs are members of the statutory contracting acquisition workforce who are working in a contingency environment. They must be well grounded in the fundamentals of contracting and then be given unique training in applying those fundamentals in a contingency environment. Therefore, CCOs take the same set

of courses required of all contracting officers for DAWIA Level I certification in addition to CCO unique courses. CORs are not members of the defense acquisition, or DAWIA, workforce, therefore do not fall under the DAWIA certification requirements. Because their duties as CORs are integral to contract administration, they are considered to be part of what GAO refers to as the “non-statutory” acquisition workforce. Contingency CORs must be well grounded in the fundamental technical and contract oversight duties of a COR, then be given unique training in applying those fundamentals in a contingency environment.

The Department’s most recent effort toward ensuring a fully qualified acquisition workforce is the qualification initiative. Our goal is to have a workforce that is both fully certified to today’s standards and also fully qualified to effectively perform their duties as acquisition professionals. This initiative is based on both functional and organizational competencies and will require on-the-job demonstration of these critical competencies. This demonstrated performance construct ensures that the workforce not only “knows” the process of their job as shown on coursework assessments, but can actually effectively “perform” on the job. The qualification initiative responds to a statutory mandate (section 1723(c) of title 10 USC).

We are also focusing efforts on developing high-quality acquisition leaders. These individuals must be identified, systematically developed, and carefully selected. We must ensure key leaders—program managers, deputy program managers, chief engineers, contracting officers, and product support managers—are fully qualified. For example, DAU has partnered with the Army to provide the Senior Service College Fellowship— a program designed to prepare Army civilians for higher levels of acquisition leadership responsibility.

Another example is the DAU Chair at the Industrial College of the Armed Forces (ICAF) — a senior service school providing graduate level education to prepare selected military and civilians for strategic leadership positions in developing national security strategy and policy. The presence of a DAU faculty member at ICAF increases the understanding of defense acquisition and program management capabilities, mission, and functions; and enhances interaction between DAU and ICAF faculty and students. The Department has also significantly expanded its portfolio of DAU executive and leadership courses available at the mid and senior grade levels for both civilian and military.

Additionally, we are strengthening the smaller-sized mid-career workforce (i.e., the ‘bathtub’) to ensure they have the capacity, capability, experience, and readiness to be acquisition leaders. Two examples are our new courses on contract pricing and on understanding industry, both of which have to do with getting a good deal for the taxpayers and getting our forces what they need.

We are implementing two new courses on contract pricing, a demanding discipline which we allowed to atrophy to some degree in the 1990s. Pricing, which involves market research, cost analysis, and specialized mathematical techniques, is fundamental to negotiating contracts in a way that is fair to industry and favorable to the taxpayer. The Department is making a special effort to recruit people with ability and aptitude for this demanding role and then to train and qualify them for these jobs.

An important foundation of any business negotiation is understanding your counterpart, i.e., what their negotiating objectives are, what matters to them as a business, and how to get to a deal that is good for both them and the taxpayer. DAU is developing a training program to

help our contracting officers and program managers have more insight into the business perspective. These efforts in workforce development at both the leadership and the mid-career levels will produce significant dividends in the future from having a workforce that is better prepared to negotiate a contract, deal with a technology issue, or respond to program cost growth.

Acquisition is inherently a responsibility of government, and successful acquisition outcomes are critical to our national security. We must increase our buying power and deliver on efficiency and affordability imperatives while recapitalizing and modernizing our military force. We must always ensure that our warfighters have the products and services they need to win. To do this, we need a fully qualified acquisition workforce. The Honorable Frank Kendall has said, "Our legacy is to leave behind a stronger workforce, a more capable workforce than we inherited." I promise to you, we will do that.

Thank you for this opportunity and I welcome your questions.

Mr. LANKFORD. Thank you, and thanks to all of you as well.

We will probably do several rounds of questions back and forth, so this will be an ongoing conversation, to be able to pull out what we can on it.

You gave an overall concern for me, and this is not something that you can solve. In the 1990's, with that wonderful peace dividend, we dialed back a lot of things, including this contracting work force. So we dialed that back, and just to get it dialed back and reduce our numbers in time for September 11th, when we dramatically increased the number of contracts that are out there. So we spent 10 years trying to catch up on personnel and training, about the time that we now start to slow down our purchasing again.

How do we hit a balance on this so that we do not overreact in the same way, that we suddenly dramatically increase our numbers and our training and all the investment into it, overdo that, if that is imaginable right now, and get out of balance again? Any quick ideas on that, on how we manage that in the days to come? Because I would hate to see us 10 years from now go through a cut and go through the same cycle again.

Mr. Hutton.

Mr. HUTTON. Mr. Chairman, the way I would frame that question is, to make an intelligent decision, one needs to know at each agency what you are buying, what your current capability is in terms of an acquisition work force, and what are your needs to assure yourself you are going to get good outcomes for what you need to buy. The extent to which you have gaps, I think you need to identify those.

Mr. LANKFORD. Who is the best person to track that? Is that the agency head in each area? Or who can best determine that?

Mr. HUTTON. I think it starts at the agency. I think the procurement officials, I think other stakeholders such as human capital people, people from the CFO shop, I think it takes a team like that to put it at a high enough level in an organization to have a good understanding of what the condition is right now.

Also you need to look at the demographics. If you have a lot of senior people in the organization, and as it has been discussed here before, bringing in a lot of new people, they can get the initial training, but they need that experience. They need that mentoring.

Mr. LANKFORD. Right. That comes up consistently in a lot of the conversations that I have with contractors. It is the, we understand the process better than the person that is actually working through our contract. And it is because they are occasionally getting someone new. And as they work through that system, it is frustrating for them, because they are saying, no, this is how it is done. It is frustrating because they know there is flexibility in contracting vehicles, and they get frustrated, Mr. Jordan, I think you mentioned the fixed price vehicle as being preferential.

So all that challenge is something you have to work through with training and age and experience and all those things that you all live and breathe every single day to be able to work through. It is getting that down to every single person in the organization. Tell me how you feel like progress is being made in that. I am hearing

some optimism in that, and obviously you are very aware of this. I am not the first to bring it up, by far.

Mr. JORDAN, do you want to mention that real quick? You had already brought it up.

Mr. JORDAN. Chairman, I will start with the mythbusting campaign. There was a significant deterioration in the communication between industry and government dating back several years. And the mythbusting campaign has really started to turn that around. I still think it needs to be an additional focus. Like I said, the direction from leadership has been right. But how that message has permeated down through the field has been, it has been a little slower. I think that Mr. Gordon has recognized that, and recognized that that needs to be an additional area of focus.

So I would start with that and I think that with the drive toward more firm fixed price contracts, again, it is not necessarily the guidance from leadership has been wrong. They have said, we want you to focus more on firm fixed price but use it where it is appropriate.

Mr. LANKFORD. Well, yes, what I have heard back from contractors is, I am glad to do it firm fixed price, but it is going to cost more, because I don't know what the risk is involved. Whereas another vehicle may be, and I understand this is a reaction in the other direction, but I can't tell you how many times I have heard that. I am glad to do it, but I am going to always charge more for this, because I am assuming all the risk.

Mr. JORDAN. That is true. So it comes back to the guidance from leadership about using it where it is appropriate. And that guidance has been right. But again, the full message is not filtering all the way down to the people that it needs to filter down to.

Mr. LANKFORD. Ms. Jenkins, Ms. McFarland, either one, how do we work through that? Because obviously that has to be someone with clairvoyance to be able to determine which one is going to be cheaper and which one is going to be better for the taxpayer at the end of the it. So I understand there is not going to be a perfect way to be able to determine that. What is your suggestion on how to process through that?

Ms. MCFARLAND. Well, I am going to start, if I could, back on the original premise, which is, how do we get there. How do we get, in the midst of this economic decline, attention to the detail that you brought to the attention of the work force's competency. And I think one of the things the Department of Defense has done, under the guidance of Dr. Carter and Mr. Kendall, has, with the recognition of the outfall of a lot of the better buying power initiatives, was this sudden recognition that the work force wasn't up to the par to be able to perform the duties that this policy, which was accurately written, was intended to outcome wise.

So one of the things they did was, with the university, to step up that. And another thing is, the services themselves are taking a very, very conscious and disciplined approach to take a look at their Workforce and where their needs are. What can you do to improve it? Well, fixed price, for example, you need to explain to people where they get the resources to help them understand, which is related to why you would go into a fixed price arena, cost and price certainty. You have to have a good understanding of the con-

figuration of the item before you try to engage in a fixed price situation. And unfortunately, people, just as Mr. Jordan said, engaged in the act of compliance by act of understanding. That critical thinking is one of our challenges.

Mr. LANKFORD. I am going to defer to Mr. Connolly for a series of questions, then I will come back and we will finish this up.

Mr. CONNOLLY. Thank you, Mr. Chairman. Before you start the clock, just for a second, this whole conversation reminds me of the story John Glenn used to tell. I used to work with John Glenn in the Senate. When he was sent into space, he was in a capsule on top of a rocket with hundreds of thousands of pounds of thrust, comforted in the knowledge that both had been won by the lowest Federal bidder. So contracting was even on his mind way back then.

I want to thank our panel for being here. Let me just ask this first question, if I may. Ms. McFarland, I am listening to your statistics, which are very impressive, 100 courses, 11 million learning hours. How many people trained this last year?

Ms. MCFARLAND. This year, 57,000 seats went through.

Mr. CONNOLLY. Fifty-seven thousand. Wow. And I want to thank Mr. Jordan and Ms. Jenkins for their kind remarks with respect to the FAI Improvement Act. Do you have any view on how that might make your job easier, harder? Or you don't care?

Ms. MCFARLAND. Personally, I think it is an excellent opportunity for improvement. Working with Donna and particularly, I am sorely disappointed Dan is going, because he has been a bright light. And the support that you all have been providing for this area has certainly moved us forward. And it needs to continue to move forward.

Mr. CONNOLLY. Thank you.

Ms. MCFARLAND. And H.R. 1424 has the right emphasis and it excludes the DOD appropriately. So it looks for, in my personal view, excellent support.

Mr. CONNOLLY. Thank you very much. And Ms. Jenkins, you gave a wonderful example of an online training program with 5,600 people in one session, very impressive. How many were totally trained this year, would you venture to guess?

Ms. JENKINS. So we did 7,000 actual seat classes. And then the civilian work force has continued to benefit from the FAI-DAU partnership, completing 87,000 online course modules at Defense.

Mr. CONNOLLY. Is it your impression that if you, I am not trying to set it up, but if you had augmented resources, that you might be able to meet a much larger population, I mean, DAU is doing 57,000 a year. Is there a demand that is unmet, is what I am getting at?

Ms. JENKINS. We do appreciate the support that you provide the work force. I think we all want the same thing, a competent and efficient acquisition work force to be good stewards of the taxpayer dollars. FAI has a slightly different role, in that we don't do organic teaching, we don't teach the classes ourselves. We hire our vendor support. So in collaboration with a number of the other Federal agencies, we assist them by setting the standards that they must all meet, which is a little bit different role than, for instance,

the VA Academy or the large training program that exists at DHS and NASA, just to name a few of the other agencies.

So I think as long as we are all training to the same set of standards that we work collaboratively together, we can meet our need.

Mr. CONNOLLY. Would it be fair to say that, for example, an on-line class, like the one you cited, and I have taken those myself when I was in the private sector, a lot of that, either entry level or continuing learning kinds of classes, but sometimes there is no substitute for in the classroom technical training to make sure I am mastering what I need to master? Would that be a fair observation from your point of view?

Ms. JENKINS. I think general, yes, you are absolutely correct.

Mr. CONNOLLY. And would it also be true that virtually every Federal agency, despite the wonderful work of DAU and FAI, still needs to have its own specialized training, because the VA mission is different from FDA?

Ms. JENKINS. Yes, I would agree with that. And I see the role of FAI there as being a collaborative. Because there is still even a baseline portion of the training program that would be consistent across all the Federal agencies. So I am very excited to actually say that the chief acquisition officer's counsel just approved us to do what we call a training collaboration board, or to establish a training collaboration board. What that would do would be allow us to discuss any developmental items, any courses we are going to develop, and we would be able to, say, come up with an 80 percent solution once and then leave the room for agencies to add, if there are specific mission requirements in the remaining portion. I think that is a good role for FAI.

Mr. CONNOLLY. Thank you.

Mr. Jordan, you heard Mr. Gordon actually observe that in his conversations with many contractors, he has heard frequently how tired they are of having to train Federal contract officers on the contracts they are managing. Is that something you also hear at the Professional Services Council in terms of the members you represent? And any other observation you have about that?

Mr. JORDAN. Absolutely. We hear a lot of the same. It comes back to my opening comments about the need or the desire for a well-educated customer is really our best customer. We do find that we are having to do a lot of explaining, a lot of educating ourselves, on some acquisition-related issues. It would certainly be beneficial to both sides if that training or understanding is brought to the table in advance so that we can get to the process of contracting versus educating.

Mr. CONNOLLY. My time is up, Mr. Chairman.

Mr. LANKFORD. Thank you.

Let me ask a question. How do we move into a couple of things. One is best value for something, and the best value is this wonderful, nebulous concept that everyone has to have open for conversation. But as we deal with the best value, how do we move from best value as cheapest this year versus cheapest in 10 years, or maybe most efficient in 10 years, or has a greater life expectancy? Because things are different, energy usages, some may be more efficient in their energy usages, it may be made of better equipment, and so it is going to last longer. Those are pure judgment calls.

How is the criteria set, and for the evaluation of that contracting officer to say, this was actually, I guess what I am asking is, is there a second guesser in this to go back and teach them and say, you made this decision, this one was cheaper than this one. But by the way, as I go back and look at everything, I think this would have been a better deal because of this. Do they give that, is there someone that's stepping over their shoulder and helping train them in that? Is there some way to be able to evaluate that? I think you understand where I am.

Ms. MCFARLAND. Yes, I do, sir. One of the things the department has to build into its acquisition process like DOD 5000 is milestones and decision point to facilitate life cycle costs, which is what you are talking about, best value. And we have not the contracting officer inclined to make that determination, it is a team. Because the engineer needs to understand what the trades are, the logistician, the pricer, the coster.

So when there's a source selection to be made, that is, when you are deciding upon what you are going to buy, those people come together in consensus. Then the department has to take a look at it from the administration's view. So when they come forward to make a decision, it is not just the local decision, it is the organizations and department decision.

Mr. LANKFORD. So do you feel like we are on top of this at this point, or do you feel like it is improving, or where do you think we are in this process?

Ms. MCFARLAND. It will and has improved. Is it improving as fast as we need it? No. In the midst of this decline, we will have challenges.

Mr. LANKFORD. Okay. Same with FAI? Or are there other comments you want to make?

Ms. JENKINS. Sir, no, I couldn't agree more with Ms. McFarland's statements. I think the challenges in the civilian agencies is that we don't have a baseline process like the DOD 5000 that as a civilian Federal Government we all follow. So FAI is working very hard to establish some baseline processes that are just good business decisions, that then regardless of what agency you are at or you are buying, we can drive those kinds of milestone decision type choices.

Mr. LANKFORD. Okay. Mr. Jordan.

Mr. JORDAN. Mr. Chairman, I think the real threat to best value, and it is coming, as budgets get tighter, there is a downward pressure on costs and there is a tendency to focus on short-term savings in terms of those long-term life cycle costs. So I think everybody needs to be cognizant of okay, let's not focus on the short term, let's keep our focus on long-term savings.

Mr. LANKFORD. Right. Part of that is how that contracting officer is affirmed, how they are encouraged. If they are encouraged based on speed and number that they got done, if they are encouraged based on the final price obviously that makes a huge difference. Or if there is some way to be able to affirm them, and you made a good judgment here, this was a tough one, to be able to get it done.

I hear lots of stories on, that that person is risk averse, they are going to do whatever is safest, they are going to work with a contractor they know, it is very difficult to be able to break in as a new person or a new company getting in the mix. People that are

not the prime, they are trying to work to get to the prime, they have a sub out there at some point, and have had it for 5, 6 years, everyone knows they are doing a good job but can't ever break in, these same stories seem to be replicated, one person after another that I talk with in the process.

So some of that is, again, I can't imagine the first person bringing this up, but it is how do we get down into that level, to train them to help new companies jump into the process and move into that. Because it obviously saves us money, to not have the middle man just in the transition. But it adds more work to that contracting officer, because now he is not grouping a whole bunch of things together and getting that off his desk. Now he has to deal with multiple smaller, but it also is cheaper for us.

Yes, Mr. Hutton.

Mr. HUTTON. Mr. Chairman, a lot rides on the requirement and how well you define that requirement up front. And we issued a report a couple of months ago that just looked at the acquisition planning process. I think you are kind of talking about some of the things that we observed, is that the planning doesn't start soon enough. Because when you start sooner, you can be more thoughtful about the process, what is it we are going to buy, what is the best approach to buy it.

You also allow more time for competition. You also allow more time if you have someone with a critical eye taking a look at that statement of work that you think you are going to have, and looking at and seeing, is this going to open it up for us for competition. We have done work looking at competition at DOD. You have competition advocates that are starting to get more involved and trying to promote more in competition. I think just as an example, doing it early, better understand your requirements up front, will hopefully give an increased likelihood that you are going to have better outcomes.

Mr. LANKFORD. Right. I would agree on that. It depends on whether you are close to the end of the fiscal year or not on that decision as far as how much advance planning goes into it as well.

I want to defer an additional 2 minutes real quick, it is the chairman's privilege on this one, I need to ask on where we are on trafficking in persons. We had a hearing that was extensive, talking about the issue, and especially dealing with State Department contracts in the Middle East and on our bases in Afghanistan and Iraq and third country nationals. No one disputed us on either panel that day to say this is not occurring. There was a common nodding of our heads as, we are fighting through this. No one came back to us and said, we need one more rule. The rules are in place, the processes seem to be in place, it is just not stopping. How do we stop indentured servitude on our bases and in our embassies?

Ms. JENKINS. Well, the Federal Acquisition Institute, in partnership again with the Department of Homeland Security, developed a course, an online module on human trafficking, to make people aware, in the acquisition work force, of the signs of human trafficking as well as the FAR clause which is associated with that. We also worked with the Department of State in developing the requirements as a subject matter expertise. So that is available on

the DAU learning management online system for the entire Federal work force and everybody else.

Mr. LANKFORD. Part of our frustration was, we can't seem to find any contractor who has been suspended or debarred because of this.

Ms. MCFARLAND. Sir, the real issue is follow-through. I mean, as you stated, all of this is in place. There is only a certain part that you can get to with the teaching and the training. The second piece is follow-through.

Mr. LANKFORD. Right. But if some contractor that is doing this feels no threat of being suspended or debarred, if the prime up the food chain from them feels no heat on it, they are not going to stop. They are making a ton of money and using people as slaves in the process, and they end up on our bases or in our embassies, and the people that are working around them, service members, don't know that. At some point, we have to be able to put some heat down and say, this has to stop.

But that is the accountability on the other side. And what I am asking is, how do we get that? How do we get that accountability that somebody's head starts rolling in this process to say, for the first time, we know this is happening, we know it is happening consistently, we have a low threshold of proof, we have the suspension and the debarment on the facts that we are finding on the ground, you are suspended as we work through this process until we can get this resolved. And so suddenly the word begins to spread, cut it out.

How do we get there?

Mr. JORDAN. Mr. Chairman, I think that first, identifying it is of critical importance. And it is really an oversight function. Obviously we support greater oversight. Contracting in a contingency environment is a little bit more complicated. I think here, within the United States, obviously the threat of suspension and debarment is substantial. Companies are very cognizant of it. I am not sure that subcontractors, third country nationals, for example, fully understand the threat of suspension and debarment, or for that matter, care. But I certainly think that there needs to be a greater focus on it. But I also think that in doing so, you need to understand the dynamics of a contingency contracting environment.

Mr. LANKFORD. I understand that, somewhat, if you haven't been here 10 years. That's tougher to explain after 10 years, and it is even tougher to explain in our embassies on the ground.

I need to defer to Mr. Connolly as well.

Mr. CONNOLLY. I would just thank you for bringing that up, Mr. Chairman, because I think, as a take-back, but in our hearing, not a single prosecution has occurred. Not one. There are tens of thousands of contracts in Afghanistan and Iraq, tens of thousands, thousands of contractors, and the practice is widespread.

We heard testimony, tens of thousands, maybe many more, of human beings who are being trafficked as sort of payoff the contracts or just necessary costs of doing business, irrespective of the terrible harm to these human beings. Not one that I know of debarment or suspension. Three referred for sort of a warning and that was it. And a practice, undisputed testimony, widespread.

And from our point of view, absolutely on a bipartisan basis, not acceptable, not acceptable. It has to be stopped, and we have to go beyond training, as you said. It is about enforcement. How serious are we about this. And we aren't serious enough.

But at any rate, I certainly echo the chairman's sentiments on that, and we are going to stay on top of that.

Coming back to the topic at hand, the chairman earlier asked some questions about, well, sort of, we saw the acquisition and procurement and contracting personnel sort of shrink in ratio to the growth in contracting in the previous decade. We have done some catchup, especially made some progress in the Pentagon. But now we are seeing contracts sort of stagnant, and maybe they will fall given the budgetary pressures we are all under. And we don't want to sort of be in this kind of cycle.

I guess I want to focus less on the numerical balance and more on the qualitative aspects of why this makes sense as an investment. Because when we have smart contracting officers, acquisition officers in the Federal Government, we can save money, we can make sure things are being run efficiently, we can avoid cost overruns and the kind of tragic problem the chairman talked about in terms of human trafficking. Mr. Hutton, I want to give you an opportunity to comment on that.

Mr. HUTTON. In terms of the quality and the expertise versus the numbers, you are absolutely right. And when you are playing catchup, which I think is what we are doing, you are going to get a large influx of newer people. And they can get that initial training and they can get the certification. But just like in GAO, we are building our work force. We have a lot of junior people. And we are spending a lot of time on the day to day, on the job training, trying to bring them and their expertise up to the level where we want them to be to be actually journeymen and go out on their own.

It is certainly a big challenge. I think you have to have the mentors. If you are losing too many of your senior people, then who is going to train those folks? Plus the fact that you have a work force and it might depend on each agency, they got a lot to do. And when you have a lot to do, you wonder sometimes, are we just being too quick and not doing the job as thoroughly as we should. So I think it is a tradeoff of like the workload, it is a tradeoff of the demographics of the people we have, do we have the senior people to mentor, and just the overall number of people. When you are bringing in a lot of new people I think this is a little bit of a transition for everyone right now.

Mr. CONNOLLY. Presumably it is also about technical knowledge. We are now getting, it is one thing to say, I need you to manage a contract whereby we produce and we order 300,000 pencils every year. That is one kind of contract. But we are moving out of that kind of contract. We are now talking about sort of broad systems integration contracts that require fairly intimate knowledge of how technology works, so that when somebody in the department says, here is what I need, I have the skill set to translate that into the technical language and the RFP and then manage that once the contract is awarded to make sure that those specs are being met.

And sometimes the lay person, who is deeply into the mission says, they may not have an understanding of the boundaries of

technology or what that really means in terms of cost, linking up the field offices and data, big data bases and data entry and the coordination and being able to recognize, I mean, those are all different kinds of capabilities we wouldn't have even talked about 30 years ago, but they are commonplace today.

So I assume it is also about technical expertise. And that has to be, that is a concern of mine, Mr. Chairman, because the higher level of technical expertise, now you are competing with the private sector trying to get those people. And the private sector generally pays a lot more than we do in the public sector. And that is of concern to me moving forward, will we be able to have that skill base. Not just how you manage the contract, but do you have the technical knowledge to make sure that contract is being fulfilled and the taxpayer interests, and I know I talk too much.

Mr. HUTTON. No, that is fine, Mr. Connolly. And I would agree with you, and that is why it is important to really have a good understanding of what you are buying and what your current capacity is. Things change all the time. Like you said, 10 years ago, we weren't buying half the things we are now, but we are buying very technically complex things.

So you have to constantly be revisiting your acquisition Workforce plan and have a good understanding of who we have again and what the current capacity is. We have done some work looking at acquisition planning, as I mentioned earlier. Just some anecdotes, people were starting the process, they had the requirements, yes, it was very technical. They started bringing in those, anybody within the organization that had insights on some of these technical issues. Some of the agencies are bringing in like business specialists or industrial type people to help support the front end of the process. Those are certain ways you can do it. But of course, for certain types of things, you might have to get the expertise outside.

But the important thing is, you do that up front, you do it early enough so you really nail down what the heck it is we are buying.

Mr. CONNOLLY. Can I just ask one more question, Mr. Chairman? And I think it is fairly brief.

We have 24 agencies figuring out how to do smart contracting. And some of them avail themselves of FAI, some might avail themselves of DAU, some may avail themselves of both. But they also do their own training. Your point of view about how well we are looking at best practices, we are creating some base uniform standards for all contracting officers and how this coordination works or does.

Mr. HUTTON. Well, I will have to say, sir, we have gotten a request recently by the full committee, about a month ago, and it has asked us to look at the role OFPP plays as well as FAI in the training of civilian acquisition professionals. We have talked this afternoon that there are several agencies that have their own institutes and academies. I can't tell you today how many there are out there and who they are serving and what type of training. Maybe the folks on the panel can, but we haven't done work in that area.

But we have been asked to look at that particular issue, as well as the physical location of the training facilities and the cost to develop and deliver that training. I think that review is going to be

touching on some issues we haven't looked at more recently. And I think that is going to help inform a lot of the discussion here.

Mr. CONNOLLY. Thank you, Mr. Chairman.

Mr. LANKFORD. A quick follow-up on that as well.

You had mentioned all the different academies. Do we know how many training academies are out there?

Ms. JENKINS. Sir, I don't know the exact number. But I can let you know that it is part of the legislation that requires each senior procurement exec to establish a line item in their budget to train their acquisition work force. So my guess is that every agency is complying with the regulation and therefore is providing some form of training, whether it is sending them to individual vendor locations or they are establishing central locations, like the VA, DHS, Treasury.

Mr. LANKFORD. Is there some collaboration that could occur, that could be coordinated to be able to combine some of these or suggest combination for smaller agencies and say, three or four of you, let's come together and find a way to do this more efficiently? Obviously we will talk about it all day, and we will talk about for a long time about budget issues. So are there some of those things being explored?

Ms. JENKINS. Absolutely, and I am actually glad you asked that question in that way. Because we have at FAI developed the Federal Acquisition Institute Training Application System. I mentioned it before, and it is a robust work force management tool. But what it actually also allows is every agency to load its course offerings into the system and any other agency can see when that agency doesn't fill a seat that there are open seats. So no seat would go left unfilled at the expense of the taxpayers' resources.

Additionally, as we move toward the training consortium board, we will move into trying to collaborate on the development of new courseware.

Mr. LANKFORD. So you are targeting to have your training areas as full as the airplanes coming in and out of Reagan Airport?

Ms. JENKINS. More so.

Mr. LANKFORD. Okay, that would be terrific. Any other collaboration that is currently occurring between the two major groups here? Obviously there are a lot of resources between the two of you I am hearing, Web site development, and there are certification issues and trying to share some of that. Other projects that are ongoing that we need to be made aware of, as far as sharing resources?

Ms. MCFARLAND. One of the main efforts that we are trying to do together is have the same learning management system. If we take our systems close together, as we upgrade our courses and our curriculum, they can take advantage of it and the same thing the other way around. So really the central IT, as I emphasized during my testimony, is very important.

Mr. LANKFORD. Okay. Yes, rebuilding the wheel is not important. If we can take Web sites, we can take certifications and adapt them, that is much preferred.

Mr. Connolly, do you have anything final?

Mr. CONNOLLY. Mr. Chairman, I just want to thank you. This is a very important hearing. This topic, while maybe not universally sexy, the taxpayers' interest is lost or won, frankly, at this level of

management. And it is so critical. And it may seem arcane, but it is very important. I just thank you and congratulate you for having this hearing, because this is one area I am confident we can proceed in a very bipartisan basis. Thank you.

Mr. LANKFORD. I thank you and thank you for your time as well, getting into this and going through all the research and information and the work you are doing on it. I look forward to continuing to hear the progress, as we will meet again in the days to come, and be able to get an update on where we are. With that, we are adjourned.

[Whereupon, at 3:05 p.m., the committee was adjourned.]

[Additional information submitted for the hearing record follows:]

Post-Hearing Questions for the Record
Submitted to the Honorable Daniel I. Gordon
From Representative Raul Labrador

“On the Front Lines in the Acquisition Workforce’s Battle Against Taxpayer Waste”
November 16, 2011

1. The Navy is embarking on the most complex transition of IT and cybersecurity services ever performed with its Next Generation Enterprise Network (NGEN) contract. How can the Navy avert operational and fiscal problems as a result of choosing a Lowest Price Technically Acceptable (LPTA) acquisition strategy, which according to the Navy’s own procurement guidelines, would only be used for procurements that are non-complex, low-risk, and have clearly defined or routine requirements?

The Office of Federal Procurement Policy has a government-wide policy role, and we do not intervene with respect to individual procurements. As a result, we defer to the Department of the Navy on the specifics of the NGEN acquisition, as with any specific procurement. From a policy perspective, we recognize that there are situations where use of a low-price, technically acceptable (LPTA) acquisition strategy is appropriate, and other situations where its use is inappropriate, and we have heard anecdotally of concern about situations where LPTA is used inappropriately. Acquisitions of professional services, for example, are usually not good candidates for an LPTA strategy. By contrast, LPTA may be a good fit where the government does not expect to obtain additional value from a proposal exceeding its minimum technical or performance requirements.

2. Is anyone at DoD making sure that the Navy is not repeating the mistakes of the early days of Navy Marine Corps Intranet Contract?

Again, we defer to the contracting agencies regarding the specifics of individual procurements. Moreover, this question appears to be focused on the Department of Defense’s interactions with the Department of the Navy, about which we do not have information; the question would be more appropriately directed to those agencies. We note that the Navy announced in a press release earlier this year that it was combining the former Navy Marine Corps Intranet (NMCI) Program Management Office and the Next Generation Enterprise Network (NGEN) into the newly created Naval Enterprise Networks Program Management Office, and that this should help capture the corporate knowledge and experience gained under the NCMI program to incorporate into the new NGEN program. The press release is available at <http://www.public.navy.mil/spawar/PEOEIS/Newsroom/Pages/NavyCombinesTwoProgramOfficesintoNavalEnterpriseNetworks.aspx>.